

**Case study on the experience of a company in the application of universal principles and values**

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**Introduction**

The following case describes an initiative to explore the implications of the application of universal principles and values to aspects related to the operation of the ISCR company.

Since the beginning of the project, ISCR has gone through different stages in which they have faced challenges that have required decisions, adjustments and changes that are offered for analysis and consultation. The task has not been simple, but has generated many lessons with quite encouraging results so far. We hope that the analysis of this case offers a starting point on which many undertakings can be developed that successfully implement the principles in the management of organizations.

To help us understand the context in which we are working, it is worth mentioning some aspects related to the business world. This will help us to better understand the reasons why it is becoming increasingly urgent to undertake this type of initiative. What makes this task especially challenging, but at the same time exciting, is that it shows, in practice and action, the power of spiritual teachings that, coupled with scientific thinking, help advance in a specific field of human knowledge.

Whether we want it or not, we are all somehow immersed in economic activity, be it in production, manufacturing, or commerce. For this reason it is useful to know the dynamics that operate and sustain a complex system of interactions inside and outside the organizations dedicated to production or services. We are all aware of the pressing challenges facing humanity in terms of environmental pollution, the growing inequality between rich and poor and the inability of governments to address multiple social needs.

The theory of systems will help us to better understand the relationship that exists between the way of operating the current commercial system and the mentioned challenges.

ISCR was mainly engaged in the sales of technology products and at the time of starting the project employed some 85 people. Its organizational structure consisted of 6 managerial positions that oversaw the operation of various operating divisions. It was common for a manager to have the responsibility of more than 10 people and that decisions were made only at management levels without the participation of the rest of the employees.

At that time, ISCR had as a priority to generate profits and survive in a highly competitive environment. It is important to mention that the arrival of the internet and virtual companies like Amazon generated multiple challenges as the possibilities of buying all kinds of products expanded globally. It is also interesting to refer to the fact that ISCR was going through a process of generational change as one of the founder's sons took the responsibility of the company in its entirety.

As a statistical data, it is estimated that only 20% of companies survive a second generation, which confirms that this is not a simple process.

ISCR was facing several challenges at that time.

In the first place, it had to find a way to give continuity to an enterprise that had been born 35 years ago and that was now without its original founder.

It also had to find ways to adjust to constant technological changes and unpredictable economic situations.

In the company, issues such as compensation, workloads, responsibilities in each position, decision making, opportunities for improvement and capacity building were not consciously attended to.

On the other hand, although there was no favoring practices that promoted corruption, they were not classified as unacceptable either.

Additionally, difficulties in internal or external relations were treated indirectly, without much dialogue with the people who were involved and affected.

It was quite common for some situations or problems that required immediate action to be completely concealed, creating issues that over time became increasingly difficult to resolve.

In operational terms, the organization, like most companies, was divided into departments that, despite being related to each other, saw themselves as "islands" that had to carry out their particular responsibilities without taking into account the rest of the organization.

Plans and decisions were generated and resolved with little participation. The social projection was limited in the sense that there were no plans or projects oriented to the social vocation of the company.

ISCR generated most of its revenues in bids from government entities. As we know, it is common and widespread practice for companies to resort to illegal payments to public officials to obtain advantages.

This greatly limits the opportunities of those who are not willing to employ these practices.

Additionally, it is very common for companies to look for ways to avoid paying taxes reporting much lower profits than the real ones or classifying at convenience the merchandise that is imported into the country in the accounting.

Furthermore, and because taxes for social services are quite high, it is usual to make arrangements to avoid these payments to the government to the detriment of the worker who in the future will see the amount of their pension reduced.

The competitive culture that existed limited opportunities for employees to excel.

In some cases people in headquarters feared that others would assume their positions by demonstrating their capabilities. At other times, it was feared losing prominence, thus avoiding promoting individuals who could demonstrate greater skills or abilities.

Being that the aforementioned presented multiple challenges, the author decided to take on the task of using ISCR as a laboratory to learn how to apply universal principles and values in the administration of an organization.

One of the objectives that was proposed was to transform a purely commercial organization into one with a social vocation. This new model of social enterprise breaks in many aspects with the traditional model of a company dedicated exclusively to profit.

The first challenge that had to be resolved was how to find, in a company with more than 80 people, how to introduce new management practices based on principles and values.

It had to be demonstrated how a company of this type could not only be economically sustainable, but could also generate welfare for shareholders, employees and their families. Additionally, because the entire company would be impacted in one way or another, everyone had to know about the project, its intentions and the expected results.

## **Project Start Phase**

When the project started, the company ISCR company was already 35 years old since its foundation, so a significant number of employees has a seniority of over 20 years. As we can imagine, during such a long time people develop habits, assume behaviours that are considered acceptable, and the way of doing things acquires a particular dynamic.

The concept of organizational culture is the one that best explains these dynamics in an organization. The process of change that was required, implied a change of the prevailing institutional culture to a culture that better reflected principles and values.

Another issue was the culture of the social and sales environment that was characterized by corruption, manipulation, the search for one's own good, lack of transparency and honesty, something that was looked as natural and part of the way things are done.

On this subject, some people considered that those who best manage to manipulate the system in their favor are endowed with "business astuteness". Additionally, there was the notion that all companies must strive to become better than others and that this influenced the reality mentioned above. In fact, it is considered that a 100% honest company is not economically sustainable, especially if all the others apply what are considered the "rules of the game".

Another challenge that he had to face was the aspect of credibility. In the eyes of the participants, a proposal that preaches the desire to generate well-being for all, applying justice, consultation, equity, transparency and other principles, may sound somewhat idealistic.

Finally, when dealing with initiatives that are born out of religious beliefs, it could generate suspicions that these were efforts to proselytize. This implied that the purpose of seeking ways to generate social and economic well-being had to be conveyed with complete sincerity and transparency.

## **Socialization process to share the vision and plans with all involved**

Due to the novelty and originality of this initiative, it was important that all those involved knew its purpose, its goals and objectives, its components, as well as the actions to be taken. The fact that the scope was going to be of the entire organization made the communication and consultation critical to avoid fears, misunderstandings or even false expectations.

Because a commitment to work for a new organizational model was being considered, based on the application of principles, the great responsibility was taken on to comply with what was promised, as well as to demonstrate sincerity of purpose.

One of the most important challenges was that of being able to explain the concepts and implications that revolve around each of the principles. Although these principles are universal, the novelty of our efforts was that we sought to put them into practice and apply them comprehensively to the operation and functioning of the organization. The question that obviously arose in people's minds was the impact it would have on their job or even if it would be threatened in some way.

## **Process of implementation of the principles in all aspects of the organization**

As expected, the organization operated under schemes, structures and norms that required a thorough review.

There were important gaps between the vision of an organization based on the application of principles, and the way it operated at that time.

Although it was difficult to have a clear idea of what the organization would look like in the future, it was thought that it would come to show the following characteristics.

There would be an environment based on unity of purpose. Consultation would be used regularly for all kinds of issues. The communication would be fluid and constant. The organization would have the capacity to learn and management would be based on systematization.

Everyone involved would have the opportunity to develop their skills and compensation for work would be fairer. The work would be carried out with a spirit of service and the organization would be a source of social and economic welfare for all.

Relationships would be based on transparency and purity of intention. This should be achieved, in addition, by caring for and protecting the environment and complying with the laws and regulations of the country.

After 6 years since the project began, we can say that the experience has been characterized by moments of victory and moments of crisis that have required a lot of consultation, but also a lot of conviction and insistence. This is what happened in the company ISCR, this is the way it can be seen today, and these are the challenges that await us in the future.

### **About the structure of the organization:**

Over the years, the tendency has been to reduce levels of authority and give more and more responsibility to more and more people. The negative aspect of this trend is that it makes it very difficult to justify posts that are losing relevance under the new structure. We could deduce that this is an effect generated by the creation of greater opportunity to develop capacity and participate.

Having to let go of several people has been quite challenging for multiple reasons. The first is the difficulty that the person who loses his job must face.

The second is that rumours are generated about the financial situation of the organization because it is assumed that what is sought is to reduce expenses. For this reason, efforts were made to share the situation in the most transparent and direct way possible at each available opportunity.

### **On the application of the principles in the context of the organization:**

Since our objective is to make the organization as a whole reflect the application of the principles, it is important to analyze the role of each member.

The principles are manifested through concrete actions, reflected in attitudes and ways of doing things that must be integrated into the culture and the actions of each person. At this moment it is we believe that only 10% of people understand in a more organic way the process that is being developed.

These people are those who have a high level of commitment and conviction and who know in greater detail the conceptual framework that inspires the efforts.

As we move forward we can identify in several people an attitude that demonstrates an availability to serve others. Some also express their gratitude doing their work with excellence and adherence to the principles. It is becoming increasingly common to see people consulting in groups to solve problems or make decisions. At the management level, we constantly consult on issues related to compensation and working conditions.

Perhaps the greatest impact is to have a small nucleus of people who consult all the time on the learnings and on ways to generate impact in the different lines of action.

## **On the development of capacities:**

To build an organization based on principles, which also learns, shares and contributes to the development of a new civilization requires new capabilities that are currently difficult to find naturally.

We are faced with the challenge of finding a way to generate learning processes that allow us to develop the necessary skills. Among others, we have identified capabilities such as; generating plans and taking them to action effectively, promote consultation in a timely manner involving the right people, act promptly to resolve situations that require attention, understand the impact of decisions from a systemic and organizational perspective of the organization, share and accompany create capacity in others.

In general, we have learned that our educational systems from basic, intermediate and even advanced levels, such as at the university level, do not adequately prepare citizens so that they be able to face the complex challenges that we face today. We are then presented with the challenge of designing or finding suitable programs that allow us to develop the above mentioned capacities.

## **About the articulation and the way to strengthen efforts:**

Time and again we have been able to confirm that the way to grow and generate movement is by sharing and taking advantage of the abilities, knowledge and capabilities of people related to our vision. The principles in action are extremely powerful when shared and applied with conviction and determination. As an example, in a period of about three years, ISCR has signed agreements with national and international organizations in various areas.

In education with the Omar Dengo Foundation that is dedicated to the application of technology to education and with the National Center of High Technology that is dedicated to research in science and applied technology.

On environmental issues with FENAGE (National Federation of Energy Managers of Spain) and ASVO (Association of Volunteers for Service in Protected Areas).

## **About the social impact**

One of the big questions, when talking about social entrepreneurship, refers to the real impact that is being generated.

At a basic level we could say that social welfare is generated when people work in a harmonious environment, under conditions that allow their development and stimulate their creativity, where they receive fair compensation for the work they do, with their health and wellbeing also being a priority.

In this respect, ISCR currently has a medical office that operates under national health standards and in coordination with the social insurance system.

In addition to the social benefits obtained by complying with social protection regulations, the company grants life policies and supplementary medical expenses.

As an additional measure, in cases where it is considered that public services are not being effective, the company intervenes and assists directly by securing care through private means.

Regarding environmental issues, ISCR is certified under the ISO 14001-2015 standard which ensures that measures that protect the environment are met through recycling programs, measures of electric energy saving and reasonable use of water.

Despite all of the above, we could say that many companies meet all these requirements so what is being achieving is not really so innovative.

It is worthwhile to mention some additional elements that do break the traditional models a little more.

Within the vision of ISCR as a social enterprise, three new entities have been created that are dedicated to various topics.

NeuroAula promotes research in the use of technology for teaching science.

Optimo is dedicated to systematizing and sharing the learning of ISCR around the topic of social entrepreneurship.

Corona Dorada is the first productive enterprise based on a beekeeping project that seeks to explore the economic, social, environmental and educational impact of a honey producing company in a rural environment.

Finally, ISCR dedicates a significant percentage of its profits to promote and develop these initiatives. This generates an interesting relationship between the commercial and the social.

Among the most significant projects, which are oriented to the community building process, NeuroAula supports the PAS1 program in the Talamanca indigenous area with logistics to acquire and maintain some materials and equipment and the Kinder program that is in process of certification with the Ministry of Public Education.

### **On sustainability and projection of growth:**

The results to date have shown that the application of principles such as consultation, unity, justice and fairness and compliance with laws, among others, generates various benefits.

It generates sustainability because the energies are focused on construction and innovation instead of focusing on the resolution of internal conflicts and the control of people.

In addition, the organization learns thanks to the consultation and can react in a more agile way to solve problems or unforeseen situations.

Furthermore, transparency and trust relationships allow trade agreements to be fair for all parties<sup>2</sup>.

A critical element, to ensure the continuity of the efforts already begun, is the integration of new participants who systematically interiorize the points mentioned above.

With this, we hope that you can have a more organic and integral vision of the construction process on which we are working.

As an example, materials such as "Unit 1 of Basic Concepts" of A Social Action Discourse of FUNDAEC facilitate in a practical way, but with a certain level of depth, the introduction to the aforementioned concepts.

Perhaps the biggest challenge revolves around finding a way to develop the necessary skills that allow a continuity of these efforts.

We also face the challenge of integrating more effectively the principles into the lives of more and more people and having a greater impact by taking advantage of alliances and agreements.

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1 Preparation for Social Action - is a Foundation program for the Application and Teaching of Sciences (FUNDAEC) which is a non-governmental organization, founded in 1974 in Cali, Colombia.

2 Experience tells us that an economic model based on excessive competition and the justification of dishonest acts to achieve greater profits leads to "toxic" relationships where everyone tries to generate profits at the expense of others. When we get out of this model and operate under assumptions based on trust, transparency, honesty and the pursuit of common well-being, we build fair and lasting relationships. It is not true that a company is obliged to offer the lowest prices or to violate laws to survive or exploit people because of competition