

Chapter 41

Gezairi Transport New Horizon Transformation Project

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ABSTRACT

Amidst major industry changes and challenges, and with the third generation joining the business, a family-owned shipping and transport conglomerate in Lebanon became aware of the need to transform its operating and organization models to survive. This conviction paved the way for a global organizational change and development initiative in collaboration with HR Works, a performance creation consulting firm based in Beirut since 2008.

INTRODUCTION

Gezairi Transport was founded by Abdul Salam Bou-Azza El-Gezairi in 1945 in Beirut. With limited financial and human resources capacity, El-Gezairi grew his company from being a customs' clearing house to a shipping and transport conglomerate with services ranging from shipping to freight forwarding, and from agency representation to comprehensive logistics solutions. Furthermore, the company (hereafter referred to as 'Gezairi' for the purpose of this reflective case history) became known in the region for its integrity, service excellence, and significant shipping reach.

This family-owned business grew very quickly as a consequence of major changes that were occurring in the Arab world at the time, which included increasing oil prices, flourishing economies, and major investments in building national capacity. As a result of this rapid growth, Gezairi invested in hiring more employees, acquiring heavier equipment, and expanding the reach of its services to new shipping zones around the world.

Yet, despite this favorable environment, many of these decisions to grow the business were not based on a predefined plan, nor informed by organizational development principles. Gezairi was merely a family business with a patriarchal organization structure amidst an economically booming region.

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BACKGROUND TO THE EVIDENCE-BASED OCD INITIATIVE

While Abdul Salam Bou-Azza El-Gezairi was building his empire, his only child, daughter Mona, was furthering her academic studies at the American University of Beirut while simultaneously spending time at the company, observing and learning.

However, acquiring the robust technical knowhow of her father and his team was not sufficient for Mona. She was being constantly exposed to cutting-edge management theories and concepts of the post-World War II era, from Edward Deming to Edward Lawler, to the previous Hawthorn and Taylor studies, to business and marketing theories that were considered revolutionary at the time – and possibly received negatively by her father. Yet, despite this exposure to new ideas, Mona, who was then in her early twenties, was living in a conservative society, and had very little leverage in terms of how her father's company should be managed.

As time progressed, and having proven herself in the overall industry, Mona started gaining more power at the company, steadily introducing modern organizational and people management concepts to Gezairi, until she took the driver's seat after her father passed away in 1991.

With perseverance and confidence, Mona and her husband, Fouad Bawarshi, who also worked at the company, along with almost 200 employees, continued the journey in the shipping and transport industry, growing the business, building strategic partnerships with international shipping lines, and strengthening the company's presence in the market. Eventually, they crowned all this hard work with a state-of-the-art head office in Beirut, choosing to have their family residence on the top floors of the same building.

How It All Started

Everything appeared to be going fine, until one day one of Mona's three children, her eldest daughter Abir, stormed into her mother's office stating that the company was in dire need for change. The topic of third generation integration was already on Mona's mind. She was approaching her sixties, her three children were all on track to join the company after getting their academic degrees, and she was keen to hand them a robust and fully functional business-generating machine, just like her father had done for her.

Yet, the circumstances were not the same, neither inside the company nor in the market, and this had been worrying Mona, and even more so when her daughter triggered the alarm. Further, although a family business, Gezairi had not had to go through the challenges related to the transfer of power to a second generation since Mona had been an only child; yet this was not the case for her three children. In other words, Mona did not have to pay the price of destabilization that family businesses with multiple heirs face when moving from the first to second generation. However, she had to keep this challenge in mind when transferring the authority to her children, being the third generation.

The Dire Need

In 2009, when Mona's daughter raised a number of concerns, Gezairi was doing good business (at least apparently). From a conceptual perspective, the company was managed based on the mission, values, and pride path of the 'Balanced Path' model of Katzenbach (2000). Yet, observing the market dynamics, and objectively comparing those with the internal capacity of the company, the situation was indeed alarming, and following are the reasons:

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