

# CASE STUDY:

## Managing Organizational Change and Development

### Keywords:

- change management
- organizational development
- international development
- international cooperation
- institutional learning
- stakeholder engagement
- facilitating conflict
- unions
- democratization

### **How to engage stakeholders in politically unstable regions, where stakeholders represent historically antagonistic ethnic, religious, and national interest groups.**

*Stakeholder engagement is essential to the success of any enterprise, and is especially crucial in creating solutions for complex, global problems. Stakeholder engagement means an active and productive dialogue in which all parties can learn from the experience and knowledge of the other.*

### **Bringing social and political infrastructure to volatile regions and conflict zones.**

#### **Background**

The Former Republic of Macedonia (FYROM) a successor state of the former Yugoslavian Republic, is situated in south Balkan region, with Kosovo to the northwest, Serbia to the north, Bulgaria to the east, Greece to the south and Albania to the west. Throughout history, the Balkans has been a political and cultural crossroads. In the late 1990s the unresolved ethnic and religious tensions repressed under Josip Broz Tito exploded into civil war. The region became a priority for the West who sought to stabilize the volatile and ethnically divided region.

I was brought in as a partner by an organizational consulting firm under contract with the Swiss Agency for Development and Cooperation (SDC) whose overall aim was to support the Macedonian transition to a democratic state and its integration into European society. The specific project I was working on was to stimulate small and medium enterprise development through work with the Macedonian labor union.

The Macedonian Federation of Trade Unions (CCM) continued through the transition from communist to democratic government, though it lost its privileged connection to the government. Our team of consultants partnered with the CCM to assist in its transition in structure, process, and culture from a communist run organization to an independent and democratically run trade labor union.

#### **Project Goals**

1. **Establish an industrial relations arm** that would serve a conflict management function to help the various ethnic, political and sectors stay together in spite of tensions and differences.
2. **Create a labor education institution** that would provide leadership training, labor education, job retraining.

## Challenges

1. **Segmented population.** The union membership reflected the ethnic and political divisions of the region, and was additionally segmented along labor sector lines. Without a practice in place for deliberation, debate and conflict resolution, the union would be subject to fractious dissent or splinter into sectors reflecting ethnic and political divisions. However, in Macedonia, with only 2 million inhabitants, a very low rate of industrialization and a union membership potential of less and 300,000, splintering would have been suicidal.
2. **Volatile situation.** The longstanding suppression of conflict under the communist regime and the lack of democratic practices and conflict resolution methods resulted in a volatile and tenuous situation. At the national and regional level, the possibility of civil war and social collapse was imminent. At the local level, within the union itself, it resulted in a disjointed membership and an inability to work with differences.
3. **Despair and uncertainty.** There was an overall sense of despair and uncertainty due to a mistrust of the fragile new government, massive unemployment, low industrialization, and a track record for violent conflict in the region.
4. **Power struggles.** The project was a collaboration between East and West, between industrialized, democratic and wealthy Western European governments and NGOs, and a former East Bloc country – reeling with poverty, unemployment, low industrialization. Adding to the power imbalance were cultural, ethnic and religious differences, and resentment at the disparity and dependency on the West.
5. **Power imbalance.** Because of the power imbalance there was a constant danger of imposing a Western style solution. As the Western partners were offering financial aid, this was especially difficult to navigate. In one sense, the power rested with the Western partners, yet the project's ultimate success depended on the Macedonian partners.
6. **Civil war broke out.** Mid-way through the project, the Kosovo armed conflict broke out, involving Albanians in Macedonia, the NLA (Albanian National Liberation Army) who attacked the security forces of Macedonia. Not only was the safety of the partners in jeopardy, but the sense of uncertainty that war engenders threatened the success of the project. What good would enterprise development be in the face of a civil war?

## Interventions

- **Established a labor education institute** in partnership with the CCM executive leadership, and comprised of labor union leaders from all sectors.
- **Organized a series of labor education conferences** with trainers and partners (union delegates and presidents) with the aim of creating project ownership from the beginning among the stakeholders. Our goal was to create a sense of shared leadership for the project, and a cadre of Macedonian labor educators and leaders who identified strongly with the project.
- **Developed training capacity among the labor educators and leaders** by creating a Train the Trainer program specifically focused on leadership, adult education training methods, intercultural issues, group dynamics and conflict facilitation

- **Developed a series of leadership development workshops** to increase the leadership capacity of the institute. The leadership program provided skills in coaching, supervising, teamwork, and facilitation skills for working with diverse perspectives, minority issues, and democratic dialogue.
- **Transitioned project ownership.** Transferring ownership and control from a jointly run program to one run and owned by the Macedonian organization involved not only legal and structural changes, but dialogues between the labor sectors and the western partners, where future steps could be identified, knowledge could be shared, and any residual differences or conflicts could be resolved.

## Observations

- **Change management is a process that takes place against cultural, historic and regional backdrop.** It is impossible to separate the issues of an organization from the context in which it resides. In this project, it was vital that we understood the larger cultural context and conflict. Very often, the tiniest interaction reflected the whole historical process of the region. For a consultant, being able to work with these pressures and historical forces is crucial. Getting pulled into any one of these conflicts would have seriously undermined the project.
- **Facilitating a multi-stakeholder process means working with diversity and power differences.** Facilitators and consultants need to be self-reflective about their own facilitation styles, assumptions about cooperation, development and leadership. Even democracy itself is subject to different interpretations and versions. Being open to the diverse and discrepant versions of democracies was a challenge to the Western partners.
- **The development of an institute is itself a democratization process.** Our project did not just deliver a service or institution; it offered a self-transforming process for the participants and partners. Through establishing a democratic institution, we offered people an opportunity to go through a democratization process.
- **The democratic transition of an institute or country parallels the same democratic transition at the individual level.** Learning and growing democratic skills is a difficult process, not only for those who grew up in non-democratic countries, but even for those of us living in democracies. Tolerance, leadership, responsibility, initiative and the protection of minority rights does not develop automatically, but has to be learned, practiced and grown.