

Leadership in Forest Agencies: Observations of a Subversive Banker

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Requisite leadership skills vary across cultures and over time. There is not a single “right type of leader” for all occasions and places.

The following are some observations on the type of leader/leadership that is needed in forest agencies during a time of transformational change. They are from someone who is currently in the private sector and outside the forest industry, but who has spent over 30 years associated with the forest sector. These observations are intentionally provocative, and are meant to stimulate discussion.

Context:

The need for leadership in the forest sector is arguably the greatest it has been for roughly 200 years. The reason is that we are currently seeing the most fundamental changes in forest markets, technologies, eco-systems and policies since the end of the Colonial Era. For example:

- Quantum increases on the demand for forest goods & services (eg., explosion of the fiber deficit in Asia);
- Need to mitigate and adapt to climate change (and on- going economic development).
- Structural reduction in paper demand due to the rise of digital communication;
- Massive reforms in forest tenures (eg., China)
- Emergence of genetic engineering.
- Convergence of the markets for food, fuel & fiber.

At the same time:

- In most regions, we have experienced a general decrease in the analytical capacity within the sector due to cost cutting measure in both the public and private sectors.
- Governments in many parts of the world, including those in some of the most economically developed regions, have significant debt and are reducing public expenditure. Most governments no longer have the ability to “lead with their check book” – they are broke.

The above changes are creating “winners” and “losers” in the forest sector. At a minimum, we are dealing with what the famous Austrian economist Joseph Schumpeter called a process of “Creative Destruction”. As a result, we are necessarily operating in a highly politicized environment.

¹ CIBC is a Canadian bank with significant exposure to the forest sector. In early 2012 it was ranked by Bloomberg Magazine as the strongest bank in Canada, strongest bank in North America, and 3rd strongest bank in the World.

Role of Governments?

- Given the important non-market goods & services provided by forests, there is an on-going need for forest agencies to play an important leadership role in the sector
- Anecdotal evidence suggests that forest agencies are often not key players when important decisions are made affecting the forest resource. There is arguably a need for forest agencies to be taken more seriously by central agencies within government (eg., Dept of Finance/Treasury) if they are to exert more leadership.
- Since they no longer have much money to spend, government's will have to place a greater emphasis on creating the right environment for other actors who will help manage and develop the forest resource – this includes the private sector.
- If governments want to leverage private sector capital, they will need to provide TLC. I am not referring to “Tender Loving Care”, but
 - “Transparency” – clear rules & processes;
 - “Longevity” - match policies/support to the life of the asset; and,
 - “Certainty” – minimal policy changes over time
- Governments are often reluctant to provide TLC because it limits their options and flexibility. However, if they want to attract scarce private capital, political, businesses and forest agency leaders will have to compromise. Regardless, most forest agencies have to recognize that they are largely dealing with the private use of a public resource.

(Given the need for transformational change) Tactical Approaches to Leading:

- Create time to THINK. You can probably delegate (or ignore) more of your maintenance functions than you assume. Make a point of exchanging ideas with more individuals outside your traditional circle.
- Don't rely on Position Power – focus on developing & applying the collective brain power of your team. Leverage your ability to provide “Thought Leadership”.
- Acknowledge your official mandate, but don't be constrained by it.
- Have a bias toward asking for “forgiveness” rather than “permission”.
- In order to build your political capital, initially focus on smaller & more manageable issues. It is important that you score early wins in order to establish credibility, build momentum and expand your base of support.
- Identify and focus on a few key issues – don't get distracted.
- Emphasize the development of partnerships, and be willing to operate outside the established organizational structures. Increasingly play the role of a “convener” for a wider group of stakeholders. This wider group can have more flexibility than the forest agency in addressing controversial issues and being an agent-of-change.

- Follow an Evidence-Based approach to issues. This is key to raising the level of debate, and helping to de-politicize the issue – it also plays to your strength as foresters. In order to be an important player in the debate, the forest agency needs to be (and be recognized as) one of the key experts.
- Recognize that we work in a world of imperfect information. Emphasize that decisions need to be made in a reasonable time frame (or you will be left out of the debate). Acknowledge that the “right information” received too late, is the “wrong information” – this is often difficult for science-based organizations like forest agencies to appreciate.
- Given we make decisions based on incomplete information, emphasize that the analytical and decision making process is an “iterative process”. We need to provide a decision-making framework which will allow us to fine-tune our policies in response to changing conditions and new information. This creates a natural tension with investors who want “TLC”
- Critical that you communicate the analysis and conclusions in a clear manner. Pro-actively disseminate your work to the broader coalition of players, and be willing to send your message beyond the traditional means of communication – fewer big reports, and more use of social media and direct presentations to decision makers.

Thoughts on Personal Attributes/Actions:

- Lead by example, with an emphasis on integrity and respect for others.
- Demonstrate passion.
- Implement the “T” approach to personal professional development. Develop your specialty - knowledge which allows you and your team to be “the experts” in a field (the stem of the “T”)- as well your breadth of knowledge (the bar of the “T”). It is breadth which tends to limit most foresters in effectively leading their agencies. Without it, your team cannot identify the right issues/shocks, and help implement the requisite transformational changes.
- Manage the fear of losing your job – you are neutered if you are always worried about your job security. Cultivate professional options which allow you to take career risks – this probably means spending some time working outside of your forest agency. Don’t just be a “care-taker” – the status quo will not survive.