

# Changes in forest sector and its impacts on Slovenia Forest Service

Qualitative analysis of employees' perceptions

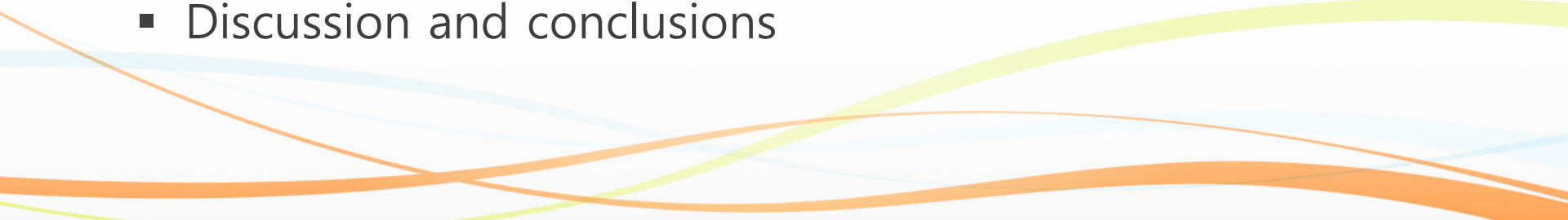


IUFRO Unit 4.05.00 Managerial  
economics and accounting

Vienna, May 8-11, 2016

Lidija Zadnik Stirn  
Vasja Leban  
Janez Krč  
Špela Pezdevšek Malovrh  
Majda Črnič Istenič

# Outline

- Introduction
  - Review of recent changes in Slovenian forest sector
  - Aim and RQ
  - Theoretical underpinnings
  - Methodological considerations
  - Employees' perceptions
  - Discussion and conclusions
- 

# Introduction (1)

- Slovenia entered the EU in 2004
- Changes affected ownership, socio-economic and management patterns, attitudes towards forests/forestry
- Country's social and economic development, also in the field of forestry, depends on:
  - effective implementation of predetermined policies
  - efficient control over policy practicesand is **performed** by the corresponding public service.
- **SFS** implements forest policy regulatory instruments
- „Soft“ approaches (e.g. voluntary policy instruments with elements of participation) are infrequent

# Introduction (2)

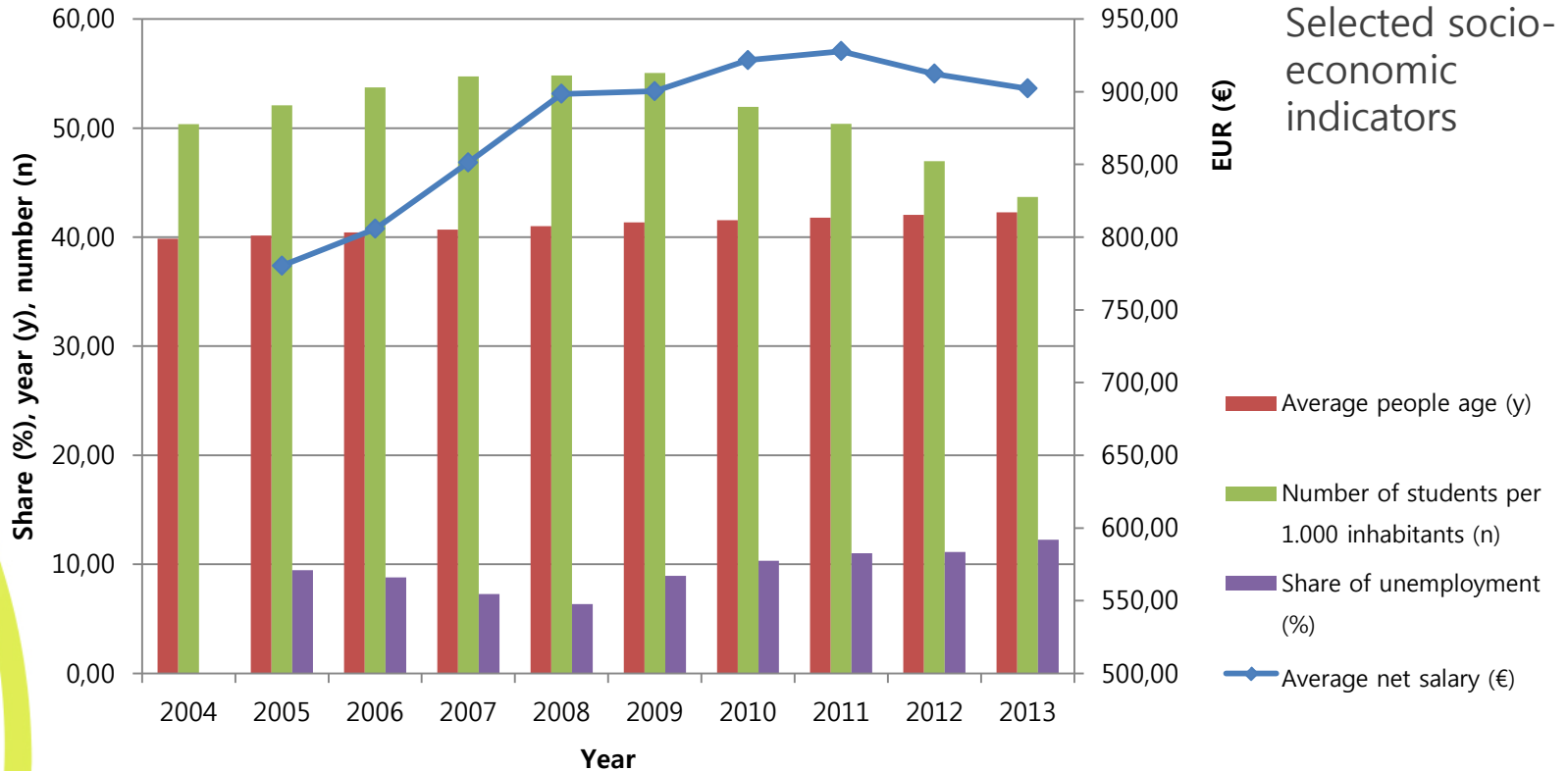
- SFS provides public forest service for all forests
- SFS is responsible for MP, silviculture, protection, hunting, monitoring, public relations, education
- For SFS to be efficient secured financial resources are needed
- SFS barriers for social and economic development are:
  - ineffective implementation of given policies
  - inefficient control over policy practices
- SFS should aim at improving its efficiency, economy, quality, user-orientation, transparency,...

**GOAL:** exploring changes in SLO forest sector and their influence on SFS activities

# Aim and RQ

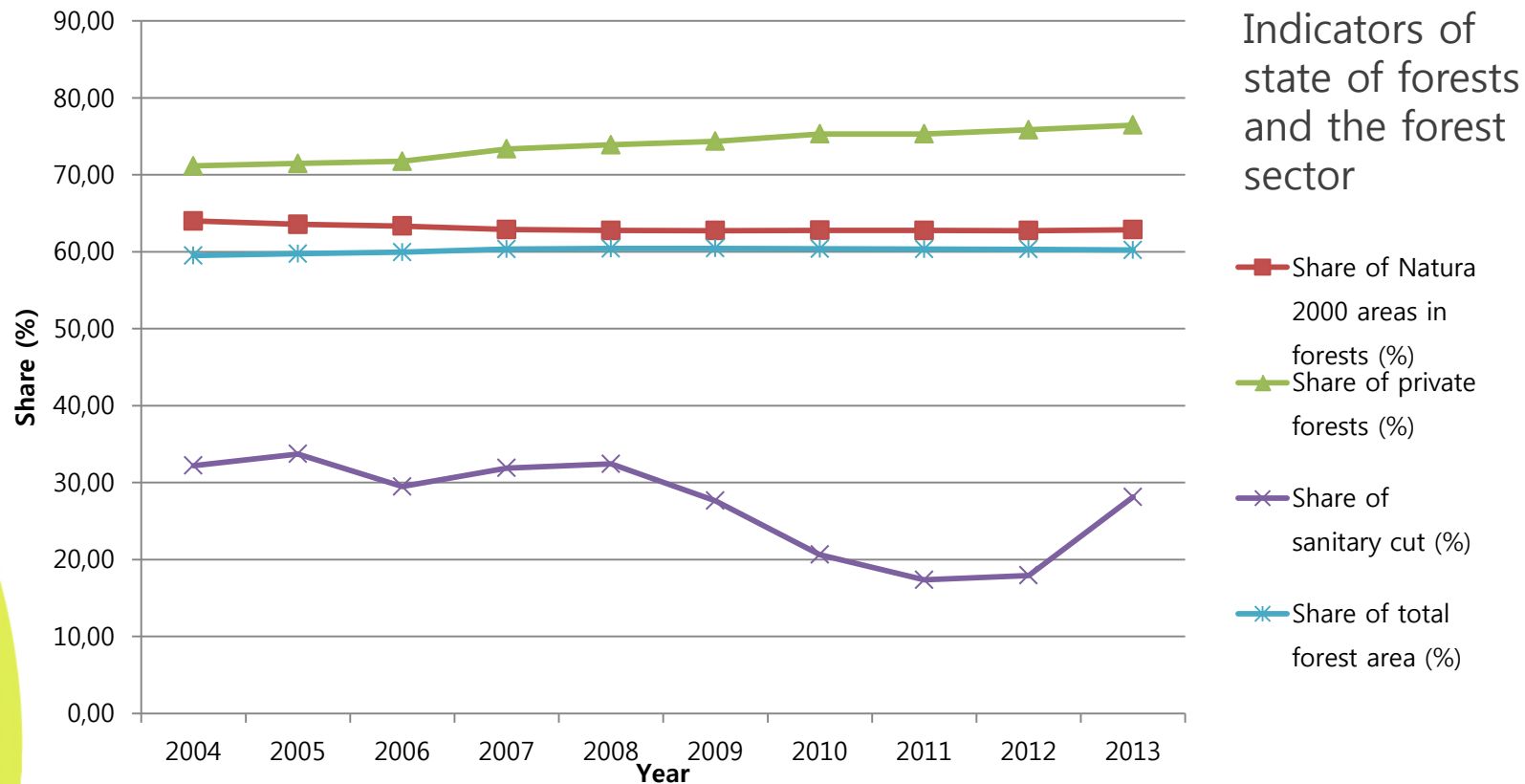
- Explore and explain recent changes in the Slovenian forest sector and their influences on SFS activities.
- Central question is threefold:
  - what changes occurred in Slovenian forest sector in the last decade,
  - what impacts on SFS operation were involved by those changes,
  - what measures should be taken in order to improve the SFS operation
- Focus is on perceptions of forestry professionals → important basis for shaping quality of public service and provision of its services

# Changes in forest sector (1)



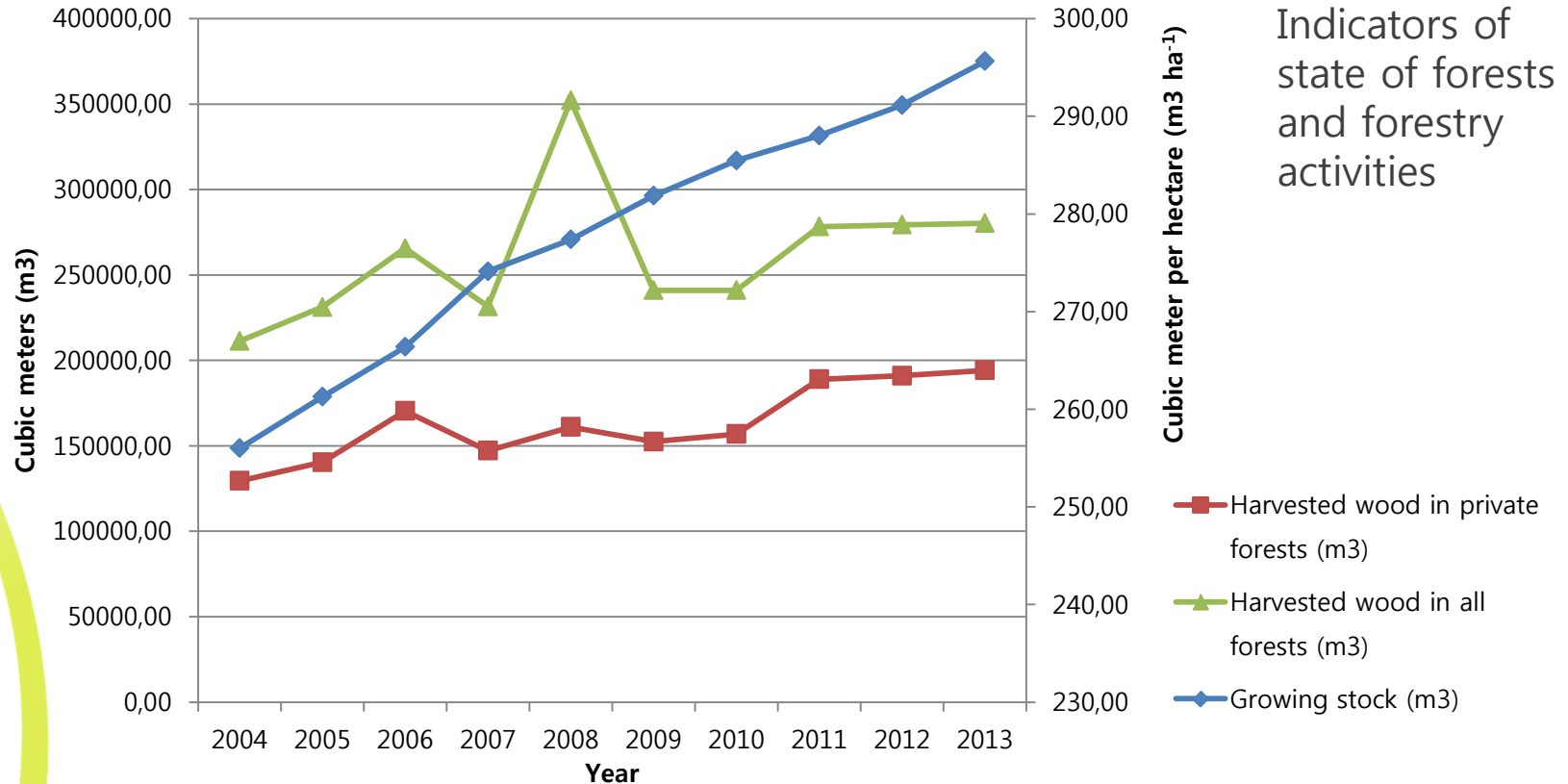
Deflator: annual inflation in Slovenia  
Source: Statistical office of RS

# Changes in forest sector (2)



Source: SFS official reports

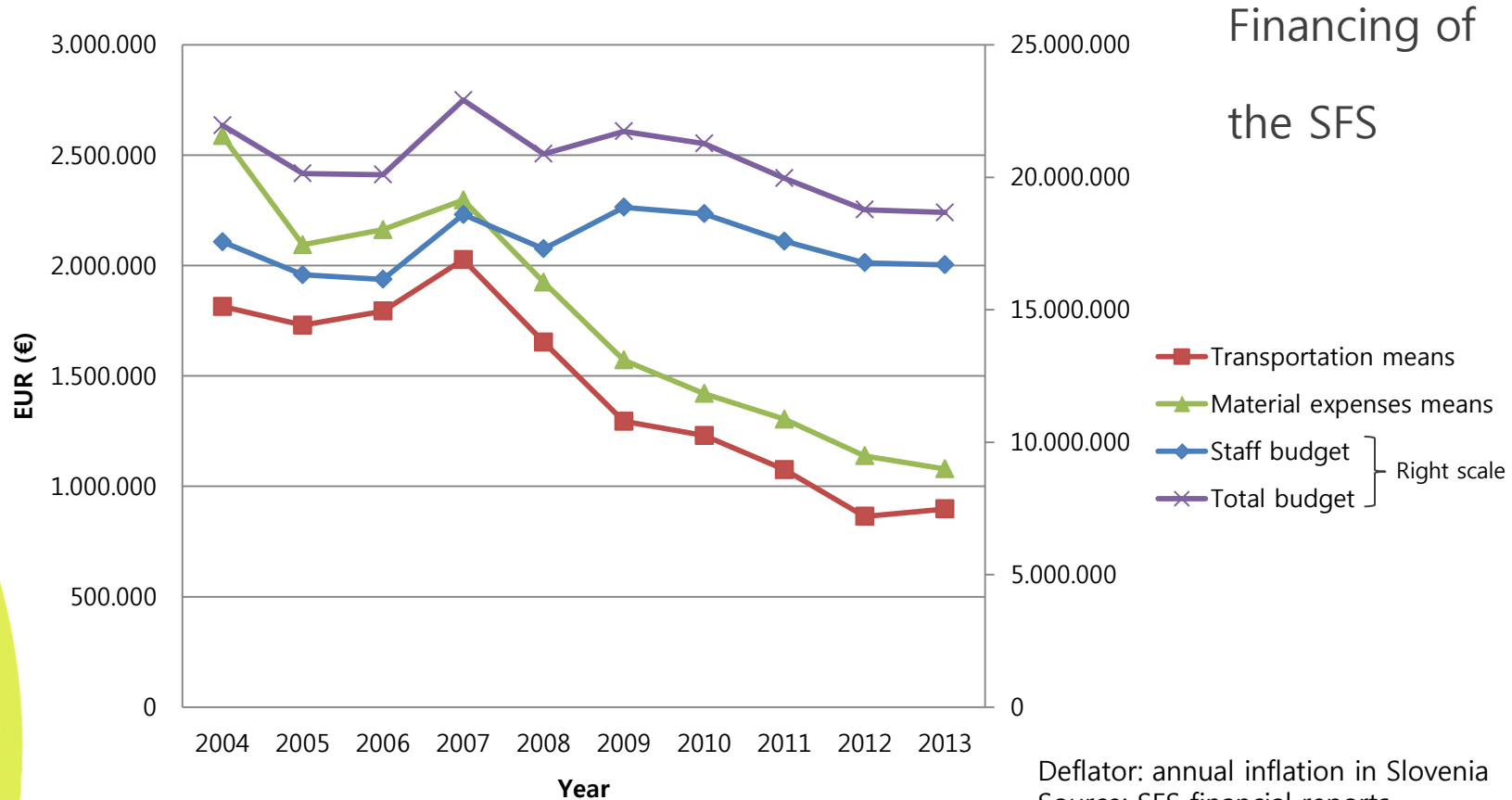
# Changes in forest sector (3)



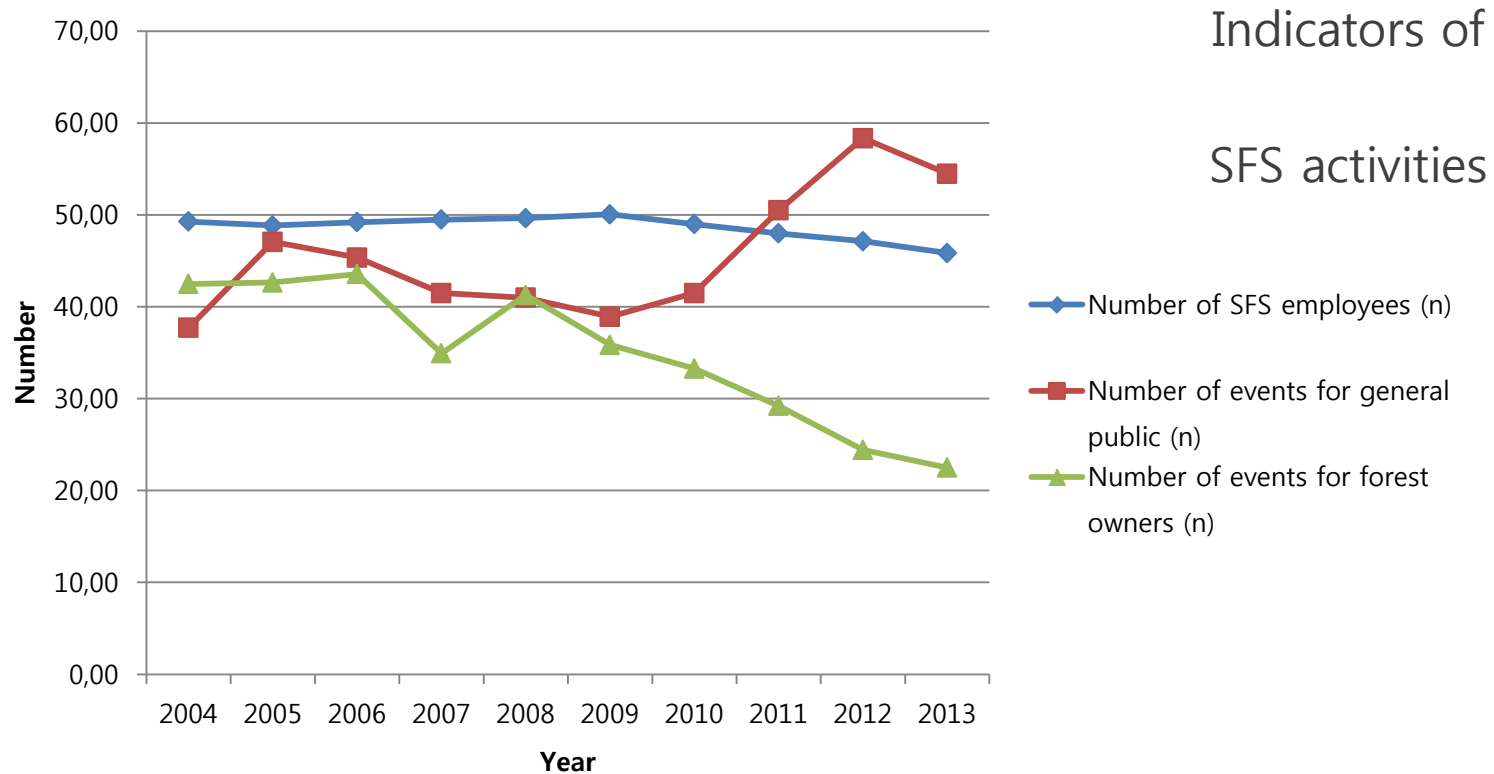
Source: SFS official reports



# Changes in forest sector (4)



# Changes in forest sector (5)

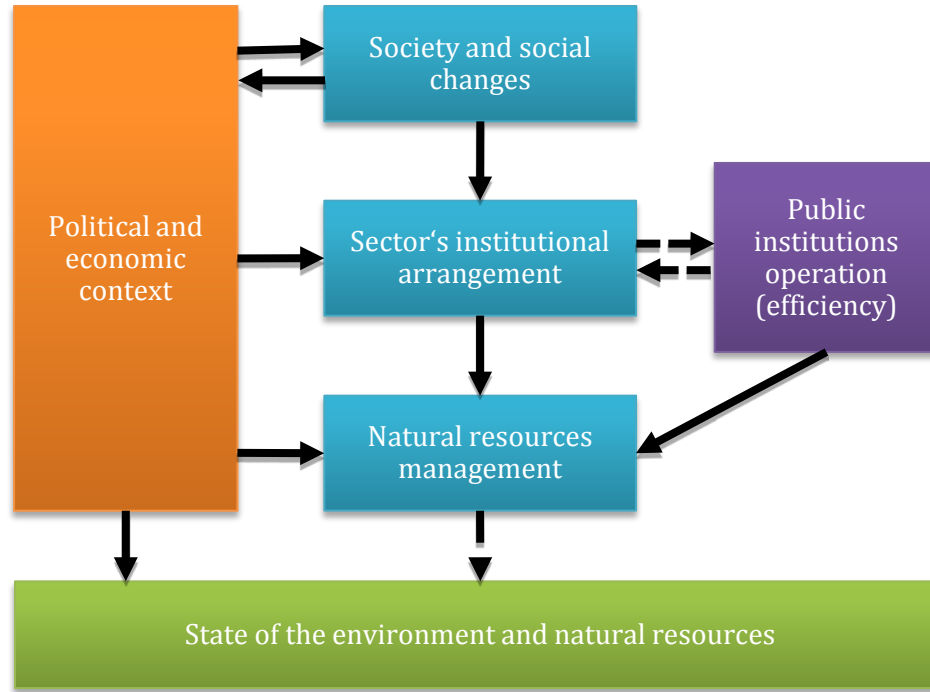


# Theoretical underpinnings (1)

- New public management (NPM) theory and its main principles:  
efficiency, effectiveness, economy, accountability, quality, decentralization, strategic management, competitiveness, user-orientation and transparency
- Accurate definition of the role and secured financial resources → strategic management, efficiency
- NPM principles for improving the communication between the public service and beneficiaries (e.g. forest owners)
- Aiming at improvement the dynamics, activity and efficiency of the public service

Hood, 1991; Boyle, 2007;  
Jääskeläinen and Lönnqvist, 2011;  
Andrews and Entwistle, 2013;

# Theoretical underpinnings (2)



Conceptual framework:  
**Efficient public service operation is a result** of the sector's institutional arrangement and the broader political and economic context and it reflects on the state of the environment and natural resources, that is also the result of society's attitudes. Public institution role is crucial for NRM and grounds on sector's institutional arrangement.



# Methodological considerations (1)

- Qualitative research design → exploring AND explaining
- Paradigm of constructivism
  - Social reality exists independently of our perceptions, theories, constructs
  - it can only be discovered by exploring individuals' views → the use of interviewing technique (open-ended questions)
- Epistemology of interpretivism
- Interviews are social interactions
- The role of the researcher is important and needs to be considered while interpreting

# Methodological considerations (2)

- Parent population: all employees in the SFS
- Purposive (criterial, selective) sampling → three criteria:
  - More than 10 years employed at the SFS
  - Different occupational position (hierarchically)
  - Different department at the SFS
- Final sample: 7 interviewees (males, A-G)
- Questionnaire from theory and RQ (an „*aide-mémoire*“)
- Performed between May and June 2015
- Fully transcribed, coded and analysed (computer assisted)
- Codes → analysis → interpretation → confront with theory

# Employees' perceptions (results) (1)

*"Forest owners are authorized to manage their forests and they also have the right not to manage it. SFS plays a supporting role. I think that we must now beg forest owners for doing silvicultural works."*

(Interviewee E)

- Not many changes were perceived; mainly occurred in early 90s
- Minor changes are occurring constantly
- Transfer of ownership and management rights to private forest owners → gaining accountability
- On the other hand, SFS role shifted from active manager to management steering and forestry work promoting guides

# Employees' perceptions (results) (2)

- Topics of entrepreneurship and economics have been perceived as a relevant issue from different perspectives:
  - opportunities to increase owners' incomes (F)
  - decreased discretionary power to manage forest development
  - threat for inefficient usage of wood
- Younger interviewees were more inclined for profit-oriented attitudes

*"This is a problem, because no one at the SFS ever occupied themselves with those issues and we are not qualified to advise forest owners about those issues."*

(Interviewee A)



# Employees' perceptions (results) (3)

- All interviewees perceived a need to bring "*a breath of fresh air*" (interviewee D) to the SFS by either:
  - make changes in the policy framework or
  - clarifying the purpose of e.g. forest management planning and silvicultural treatments.
- Interviewees perceived a radical increase of bureaucratic and administrative tasks → connected with the entrance into the EU
- Reduction of personnel number caused:
  - lower quality and efficiency of services provided
  - insufficient control of forest development
  - limitation of educational activities
  - reduced public relations

# Employees' perceptions (results) (4)

- Very important issue raised by some interviewees: technological under - development → consequences on efficient performance of SFS activities
- Lack of financial resources is the main reasons for too slow technological progress

*"More or less we were able to supply tools and equipment we need, but the world runs much faster than we are."*

(Interviewee C)



# Discussion

- SFS employees recognizes many changes: though they are perceived as irrelevant, they are crucial for SFS operation and the state of forests
- Doubts about the purpose of current SFS arrangement → signal of low employees' motivation, efficiency and quality of performance.
- Potential opportunities to increase SFS operation and efficiency:
  - clear definition of SFS purpose and tasks,
  - increase the number of educational activities for staff and general public,
  - improve the tools and technology used.
- National forest policy should have a vision of the future development in order to produce arrangements that will fit the expected policy objectives
- Educational activities: focus on marketing, production and use of forest products
- Technological improvement: for continuous monitoring and improved data collection quality for foresters and the general public



# Conclusions

- Straightforward forest policy, designed on a participatory basis could be the most important step towards improvements.
- Autonomous and financial independent public institution will perform their activities and achieve quality objectives efficiently
- Clear definition of the national forest strategy (and the role of the SFS in it) should be the main topic on the policy agenda
- Improving of the national forest governance and education
- Efficient forest investment system should be established
- In conclusion, the SFS will not manage to perform all activities and tasks written in the Forestry Act if, *ceteris paribus*, the reduction of finance and human resources will continue.

**Thank you for your attention!**

