



# RESTRUCTURE YOUR ORGANIZATION

Successful projects require support for ROW agents



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The world is changing. Actually, the change is well underway. This awakening—with people taking their issues to the street when their world is threatened—began some years ago and has had direct effects on the ability of right of way projects to be developed and built.

Starting in 2009, Barbara Billitzer, then the Publisher and Editor of the Right of Way Magazine, recognized that something new was needed to explain the shift of power from legal, legislative and regulatory bodies to citizens organizing to participate in decisions that affected them. A column under the heading of “Social Ecology” was introduced to begin to assess and explain the changing world.

The first publication of a Social Ecology column in Right of Way Magazine was in the May/June 2009 issue. Forty columns have been published since then, detailing the changes in communities that were taking place and how companies could understand, participate in and address those changes. In addition, **IRWA Course 225: Social Ecology, Listening to Community** was introduced five years ago, and 15 Chapters have made use of the course.

## How Times Have Changed

It has been clear that resource development companies have been losing billions of dollars from citizen reaction and resistance to projects. Most projects resisted were those that directly affected citizen and community traditions, attitudes and practices. When a project affects the factors that tie a person to the land or to a physical place and threaten the social/cultural survival, trouble is brewing.

In the March/April 2019 issue of the Right of Way Magazine, the Social Ecology column reported on the financial losses of 15 individual projects from citizen protests and resistance as reported by the U.S. Chamber of Commerce in 2018. The following numbers calculated in the time period between January 2010 and August 2018 are staggering:

- Costs of Project Dollars Lost: \$57.9 billion
- Gross Domestic Product Lost: \$91.9 billion
- Tax Revenue to Local and State Governments Lost: \$20.3 billion
- Jobs Lost: 728,019

Citizen protests and resistance has become the “go-to” action not only on right of way projects but throughout the world to bring about people’s ability to participate in changes to their environments. Hong Kong, the third largest financial center in the world after London and New York, has ground to a halt. Riots broke out in Santiago, Chile (despite their strong economic stability) because of an October 2019 four-cent increase in transit fares. Indigenous protests have broken out in Lebanon and Iraq against income inequality and the lack of economic opportunity. Huge protests continue in Barcelona amid a call for Catalan independence. In France, the Yellow Vests continue a month-long protest that began with a fuel price hike. Seventeen-year-old Greta Thunberg sparked a worldwide action involving millions of people concerning formal action by companies and governments to address climate change. And hundreds of protests of pipeline, utility, road and other corridor projects continue in the United States.

There are two lessons to be learned for right of way companies in these citizen protests:

1. A movement has formed from the resistance that has been building up over the years, whose leaders coordinate with each other on a local, national and international basis.
2. Citizen protests are a permanent feature of the present and future that must be understood and worked with in a manner that removes the local citizens’ need to react and form demonstrations against right of way projects. In some circles, this is referred to as having a Social License to operate.

### Inefficient Solutions

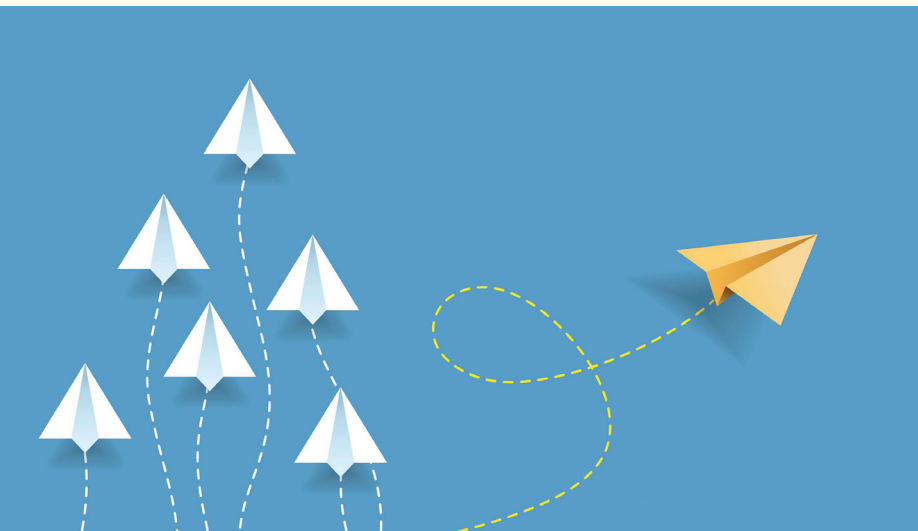
One of the problems in addressing this phenomenon is the vertical organization of the companies that have had a management culture for over 50 years focused solely on producing shareholder profit. This profit was often earned to the exclusion of “community, suppliers, customers and employees,” as pointed out in a new Business Roundtable mission statement in an August 2019 report. The single focus on shareholder profit has to change for companies who wish to be part of a business world, where new stakeholders have a growing influence on the operations and profitability of a company. The prevailing vertical organization is poorly prepared to develop strategies and tactics that fit the new citizen power dynamic.

For instance, the first instinct of a company when trouble arises from citizens challenging projects is not recognizing and expanding the resources that they already have available to them. Instead, they create a new department to handle citizen engagement, such as Community Relations, Media Relations, Stakeholder Outreach, Engagement Department, etc. This only complicates the current structure of working through the right of way agent to address citizen concerns. These new departments begin to compete with project managers and right of way agents as “the authority” on how to work with communities. Bureaucracy takes over and there is now another costly department competing with already existing right of way personnel on the ground. Frustration and confusion can set in for the public as they try to discern who is in charge, breeding conflict for the project.

### Positive Changes

What is important is to understand the dynamic necessary for corporate success in this citizen awakening era. There are two examples worth noting. Both have strong leadership from the CEOs in carrying out changes that benefit the new publics (recognized in the Business Roundtable report noted above) —which in turn benefits the company.

The first example is the \$185 billion technology company called Cisco, run by Chief Executive Chuck Robbins. One of Robbins’ methods of understanding the new dynamic facing corporate hierarchy was to invert the organization chart so that he and his vice presidents were on the bottom, while the line people were at the top.





All support went in an upward direction instead of in a downward direction. He is leading Cisco into the new era via the following statement made to Market Watch in May 2019: "I think we have to do everything we can within the existing system, and then work with the public sector to figure out what the next system looks like. To maintain the American dream for everyone, we have to step back and figure out how we solve this going forward because where we are as a society is not sustainable."

The second example comes from Jamie Dimon, the CEO of JPMorgan Chase, where he is experimenting with a new kind of business investment in Detroit, Michigan. His idea for community engagement is to test out a process for addressing urban poverty by applying the same kind of expertise and analysis to the community issues that his bank uses to advise big corporations.

Dimon has spent over \$200 million dollars learning that it is not the money spent but the help, advice, reflection, face-to-face interactions and social capital generated that is the product for success. In a 60 Minutes interview with reporter Leslie Stahl, Dimon explains that "this is nontraditional banking... venture banking." As part of his commitment to the community, he assembles "teams of experts from the bank who spend weeks at a time living and working in the city and providing a lot of practical advice." JPMorgan Chase has assisted in the creation of over 5,000 businesses and assisted in persuading Fiat Chrysler to build a new plant providing 5,000 new jobs in Detroit.

From these examples, the following items stand out:

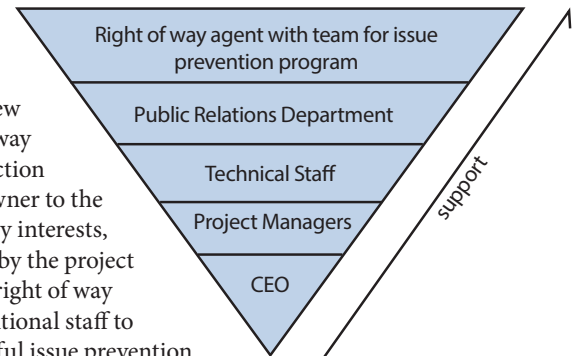
- Neither corporate leader created a new department to address the issues that they were facing.
- Rather than use their vertical systems to achieve their ends, they adapted their structures to operate in a horizontal manner by working within communities using their systems.

In the Detroit case, Dimon had his teams live and work in the community to gain an understanding of how the community functions, discover the key people in the informal networks and determine the community issues that needed to be addressed. This allowed for a citizen-based process rather than imposing solutions on what JPMorgan "experts" thought the problems were. The company and the benefits they bring to Detroit are being absorbed into the community rather than reacted to and fought.

## A New Structure

New thinking is needed to address the current situation that is stopping and blocking needed right of way projects. Suggestions based on the previous examples are to invert the company's organization chart and to re-examine the right of way agent as a broader change agent instead of working only with land owners.

The Figure on the right shows this new corporate structure. In the new focus, the right of way agent needs to function beyond the land owner to the broader community interests, which are affected by the project development. The right of way agent requires additional staff to build out a successful issue prevention program. The staff includes a professional that knows how communities work at the informal and formal level (Social Ecologist preferred). In addition, two community archetypes (discussed in detail in the January/February 2020 issue of Right of Way Magazine by Lesley Cusick) would be hired from the informal networks. The two archetypes to start with from the community are the Caretaker (trusted individuals that hold cultures/communities together) and Communicator (those who move information efficiently and accurately throughout the community's networks on a routine basis). They can function well as issue identifiers and resolvers on a daily basis.



By investing in and building up the right of way agent's extension into the community, which in many cases is already taking place, the company is using on-the-ground personnel in a new and effective process to keep projects from being trapped in the citizen reaction mode. This is very efficient. It bureaucratically replaces the old management solution of creating separate departments to handle citizen issues, which often competes with the right of way agent.

## In Summary

A Social License to operate exists at the local project level where the impacted citizens can see through their participation that their existing issues are being heard and addressed. In addition, the issues created by the project are addressed in a manner where the citizen and the project both win and project disruptions are prevented.

This is the new era with a new paradigm emerging. Project developers need to ask, "What will it look like, how will it operate and will we be leaders, followers or victims in this new era?" 🌟



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