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Managing Think Tanks:
Practical Guidance
for Maturing Organizations

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Contents

The Urban Institute	iv
Local Government and Public Service Reform Initiative	iv
Foreword	v
Preface	vii
1 Why Pay Attention to Management?	1
2 Motivating Staff for Higher Productivity and Increased Retention	11
3 Ensuring Good Advice: Quality Control	65
4 Renewing the Work Program: Creating Innovation	83
5 Creating Team Leaders	115
6 Getting the Most from Your Board	153
7 Teams or Stars? Options for Structuring the Research Staff	183
8 Communicating Results	193
9 Financial Management: Sustainability and Accountability by Jeffrey Telgarsky	227
References	259
About the Authors	265



The Urban Institute is a nonprofit policy research and educational organization established in Washington, D.C., in 1968. Its staff investigates the social, economic, and governance problems confronting the nation and evaluates the public and private means to alleviate them. The Institute disseminates its research findings through publications, its Web site, the media, seminars, and forums.

Through work that ranges from broad conceptual studies to administrative and technical assistance, Institute researchers contribute to the stock of knowledge available to guide decisionmaking in the public interest.

Conclusions or opinions expressed in Institute publications are those of the authors and do not necessarily reflect the views of officers or trustees of the Institute, advisory groups, or any organizations that provide financial support to the Institute.



Local Government and Public Service Reform Initiative (LGI), as a regional program of the Open Society Institute–Budapest (OSI), is an international development and grant-giving organization dedicated to the support of good governance in the countries of Central and Eastern Europe (CEE) and the Newly Independent States (NIS). LGI seeks to fulfill its mission through the initiation of research and support of development and operational activities in the fields of decentralization, public policy formation and the reform of public administration.

With projects running in countries covering the region between the Czech Republic and Mongolia, LGI seeks to achieve its objectives through various types of activities. LGI supports regional networks of institutions and professionals engaged in policy analysis, reform-oriented training and advocacy. It is involved in policy research and disseminates comparative and regionally applicable policy studies tackling local government issues. LGI delivers technical assistance and provides professional guidance to Soros national foundations. LGI supports policy centers and think tanks in the region, publishes books, studies and discussion papers dealing with the issues of decentralization public policy and lessons learned from the process of transition. They are used for development of curricula and organization of training programs.

Foreword

After a decade of transition in Central and Eastern Europe, the climate surrounding public sector reforms has become increasingly more complex and interconnected. Decision-makers must balance legislative, organizational and management changes in their countries with the demand for rational, effective reforms. Public policy design requires a choice of professional alternatives during the policy process that takes into consideration the multiple actors invariably involved as well as the institutional and financial consequences that are critical to its success.

In order to meet this outstanding demand, advisory and consulting organizations must improve their professional services. Domestic think tanks and policy institutes are regularly involved in policy formulation. Typically, as the scope of their size and activities has increased, their organization and management has been influenced by this growth, whether a detriment or benefit to the organization in question. Beyond professional development, institutional and leadership issues have become essential to their successful evolution.

In a well-run organization, management responsibilities like motivation, quality control, cooperation with boards and external communication are normal elements of day-to-day operations. This book gives a comprehensive review of these and other internal management tasks like creating team leaders, calculating indirect costs and launching new consulting initiatives. Numerous examples are provided to prove the credibility of such ideas for readers in Central and Eastern European countries.

Policy institutes and think tanks were always in the focus of the Open Society Institute's Local Government and Public Service Reform Initiative (LGI). Grants and institutional support to professional networks and advise and training for policy-makers recently was supplemented with a major program on policy institute development. LGI's public

policy initiative is targeted on the effective organization of professional advisory activities. The public policy centers that participate in LGI's program for policy centers receive organizational development training, are advised on proposal writing for the European Union and have launched joint policy projects. They have also received considerable and valuable experience through mentorship schemes that connect think tanks from the region with their counterparts from Western Europe. LGI's newly published guidebook—*Writing Effective Public Policy Papers*—is aimed to improve the professional quality of their work.

This publication on managing think tanks fits perfectly into this rubric where management and policy intersect. Ray Struyk, a leading expert on policy development in Central and Eastern Europe, provides practical advice for well-established policy institutes gleaned from his experiences in the region. We hope that this joint publication with The Urban Institute will help our future cooperation in other research and development projects.

Gábor Péteri
LGI Research Director

Preface

My primary inspiration for writing this book was my experience with the Institute for Urban Economics (IUE), a think tank created in Moscow in 1995. IUE's six founders were all members of my staff, which was engaged on a large technical cooperation project in Russia. As the resident advisor for the Urban Institute—an accomplished think tank located in Washington, D.C.—I worked very closely with IUE's management over the next three years to help establish the IUE on a strong footing. During this period I searched for written materials on the management of think tanks. I found that there were none.

From 1990 to today I have visited and worked with more than a dozen think tanks in Eastern Europe and the Commonwealth of Independent States (EE–CIS). Sometimes the collaboration was intense. Often a discussion would turn to particular management challenges, such as how to establish an overhead rate that would be defensible to donor auditors. I wanted to be able to do more than simply provide on-the-spot advice. But, again, I have been frustrated by the lack of written guidance available.

In 1997 the Urban Institute, IUE, and the Metropolitan Research Institute in Budapest founded the Transition Policy Network (TPN). Today TPN is a group of nine think tanks in the EE–CIS region, plus the Urban Institute. The members work together to win and execute policy research and technical assistance projects. In the context of carrying out projects, the Urban Institute does some mentoring on management practices. When the Institute polled TPN members in 2001 about topics for seminars and workshops the network might stage for members management topics were in great demand. In short, casual observations in the EE–CIS region indicate that there is a widespread and persistent need for guidance and financial management.

This demand for—and lack of—management information provided strong motivation for writing a book about good practices in these areas. I decided that the book would be more useful and convincing if I could document actual management patterns with more systematic information about current practices among young think tanks, including examples of good practices. To this end, as time permitted during 2000 and 2001, I have undertaken a series of surveys on specific aspects of think tank management. Most of these involved face-to-face interviews, but one was conducted with a questionnaire via e-mail. This information, plus data on the practices used by exemplary for-profit businesses, nonprofit organizations, and think tanks, forms the basis for the guidelines reported.

I have spent the majority of my working life at think tanks—first at the National Bureau of Economic Research and then at the Urban Institute. I have had the chance to observe the management practices at these organizations and to gather information from 10 other Western think tanks in a survey for a project some years ago. These data convinced me that many Western think tanks were effectively managed in most areas but also that a good share could benefit from improved practices in some aspect of their administrative practices.

This book is directed particularly to younger and smaller think tanks throughout the world, and it may be of the greatest value to those in transitional and emerging economies. Nevertheless, I am convinced that even well-established think tanks in industrialized nations can profit from some of the lessons advanced. This book may also help the foundations

and bilateral and multilateral aid agencies that work with think tanks everywhere. Sponsors of research and technical assistance projects too often undervalue the productivity of small investments in institutional development. The guidance presented here can alert sponsors to limitations in the management of some of the institutions with whom they work. The information also provides a basis for addressing the problems.

I readily acknowledge that the topical coverage of this volume is not comprehensive. Developing an effective audit strategy and several important governance issues are challenges to think tanks that are not addressed. Over time more chapters will be added on the Urban Institute's web site (<http://www.urban.org/r/thinktanks>) that will address some of these issues.

I want to thank several people and organizations whose help was pivotal in the preparation of the book. The first vote of gratitude goes to those from some 20-odd think tanks who participated in several surveys on current practices conducted for the book. I benefited enormously from extended

discussions on management topics with colleagues at several think tanks, both as part of the formal interviews of the surveys and in other contexts. My greatest debt is to the team at the Institute for Urban Economics—especially its president, Nadezhda B. Kosareva—for sharing the details of several good management practices at the IUE. I am grateful that these think tanks agreed to permit me to publish these materials.

At the Urban Institute, Institute President Robert D. Reischauer was enthusiastic about this project, and offered moral support. Staff from several administrative departments contributed lessons and useful materials. A special thanks goes to Kathleen Courier for good ideas. Heather Brady capably did the final editing. The Urban Institute supported the writing of this book from its unrestricted funds.

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