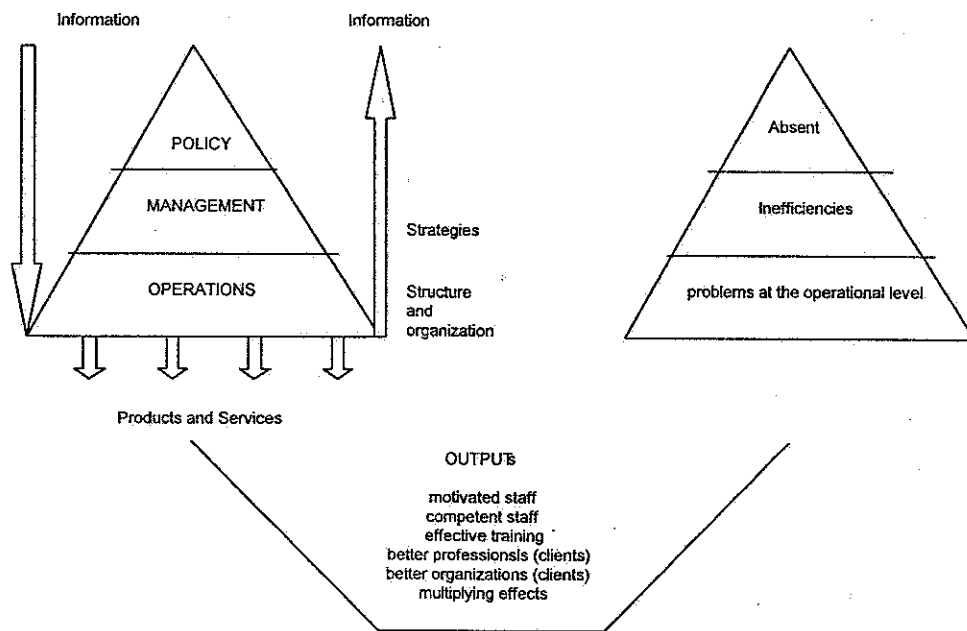


**Ideas and Principles for Restructuring the IHS**  
**How successful can it really be?**  
**Draft text by Claudio Acioly Jr.**  
**April 1996**

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THE CONTEXT OF THE IHS



## The Strategy and the Business Plan

A business plan is much more than an organisational change. It implies development targets, priorities and strategies to be achieved within an expected period of time by identified means and instruments. A business plan should reflect the policy of an organisation and therefore it must explicitly specify the course of actions to materialise the agreed policy.

Three important requirements must be fulfilled in order to accomplish successful policy implementation and to achieve development goals and targets:

- (1) a conducive organisational structure,
- (2) a transparent decision making process and
- (3) clear lines of responsibilities and accountability.

This brings us back to the organisational structure of the IHS. It highlights its relevance as a means for the institute to develop further on and to accomplish its mission statement. Full attention must be given to it. A new structure must be carefully designed and its implementation must be properly monitored.

Assuming that there is a fixed amount of financial resources "guaranteed" for the coming years in the forms of subsidy and resource allocation from the Dutch Government (the question remains how to utilise it, how to spread among the various activities and costs and how to optimise it), three important decisions lie ahead of us and are sine-qua-non conditions to overcome the present management crisis and to successfully achieve a sustainable structural adjustment of the IHS:

### ***Recommendation 1: develop a sense of ownership by involving the staff in all phases of institutional and operational reorganisation.***

- I. Development choices which implies the definition of the academic themes or spearheads, subjects and professional fields that the IHS will strengthen, (re)develop and/or renew. That also includes the definition of types of products/outputs (degrees, courses, training, research, professional services, publications) that will emerge.
- II. Structural functioning of the institute which implies the definition of the most suitable organisational structure which best suits the available means to achieve the expected ends.
- III. The definition of the staff who will be responsible for taking the lead in the consolidation of the chosen structure and in the implementation of the policy choices. This implies the definition of a clear selection criteria as well.

These three steps must be accomplished in a smooth and transparent manner. The academic staff should be involved and informed as much as possible in order to develop a sense of ownership of the process. If this sense of ownership is not taken care of, it will be hard to foster the co-operation, motivation and full engagement of those who in fact will be responsible for carrying out the necessary actions to consolidate the changes. The structure may change but the organisational culture, the human behaviour and the vicious may remain intact if the staff is not responsive. The responsiveness is achieved through involvement in

the discussion, in developing the choices and assuming the responsibilities and consequences thereafter. If this is not carefully considered during this interim period, the change will be only virtual. There is a potential risk if the reorganizational process is divorced from the professional staff involvement. This involvement can be achieved in many ways (formation of working groups, continuous information flows by internal memos and short briefings, assignment of task, etc.) and certainly not through the maintenance of the same actors who were responsible for the impasse and crisis in which the institute found itself.

## **I. The Definition of Academic Fields, Professional Disciplines and the Spearheads**

In the recent past years, the IHS has been dominated by a management and economic orientation which overshadowed and at times totally disregarded the built environment and the physical structure of cities. This means that several decisions on themes and subjects of courses, research proposals, recruiting of new staff, institutional support, etc. were based on this view. There was a noticeable institutional and staff effort to develop a new professional field and offer a new product e.g. the master course on Urban Management with Erasmus University that was successfully achieved but there was also a noticeable neglecting for other fields.

However, instead of continuing or refining the existing strength of the IHS and its staff, this occurred on the cost of gradual elimination of shelter, housing and human settlement development planning - having the built environment as an entry point - from the IHS agenda; meaning that competent staff were living and participants were looking for other training institutes which could offer the needed training. Paradoxically enough, this was always the strength of the institute and from which it gained recognition and international reputation. There was a loss of identity or ambiguity of IHS profile. The last policy week brought the theme back to the agenda of discussion thanks to a paper presented by Claudio Acioly and Florian Steinberg<sup>1</sup> which reflected the continuous effort of the members of the Habitat Development Group. The majority of the staff who attended the policy week agreed with the postulates of the paper and agreed as well that the built environment should remain as a core subject of the IHS.

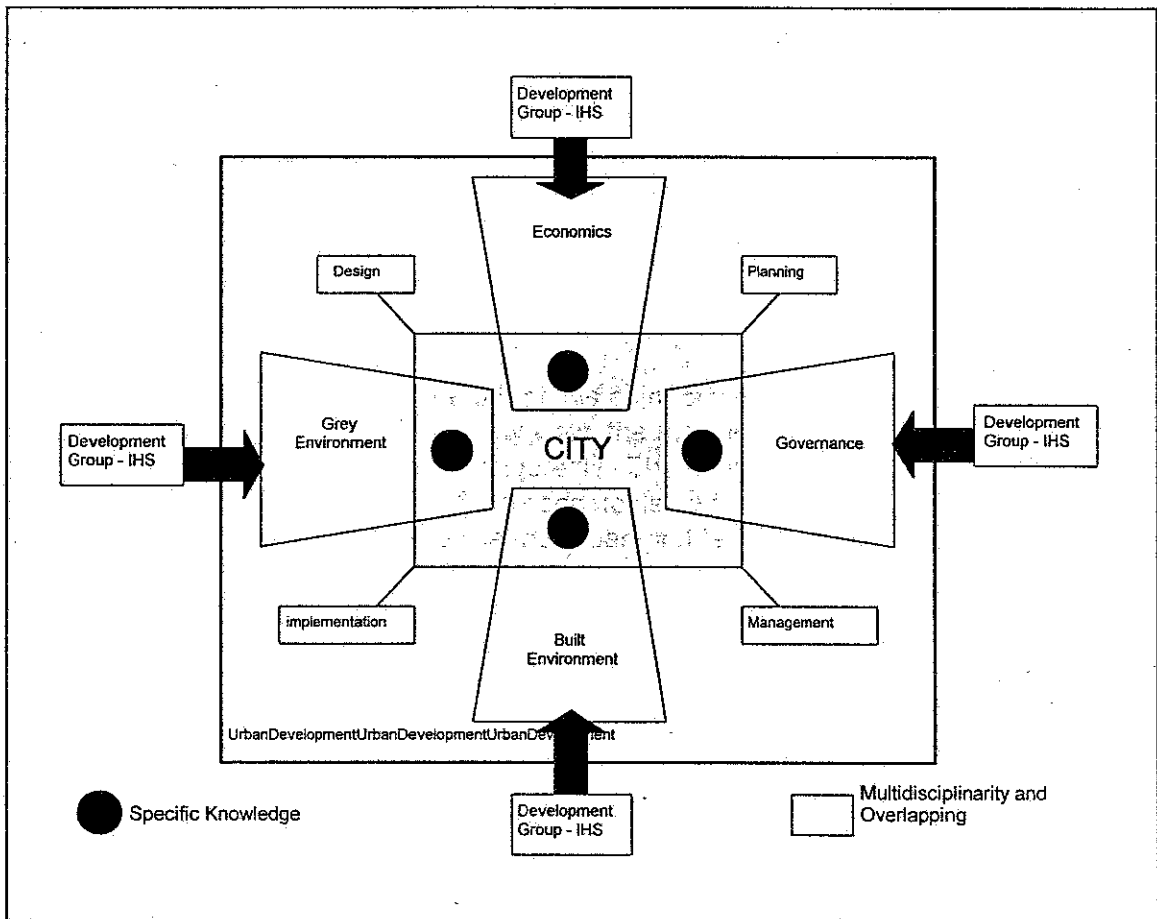
For the future, it is necessary to find a balance between the management and economic orientation with the physical planning, shelter and human settlement development orientation. This must be reflected in the organisational structure. The risk is that IHS may gradually loose its authority in these fields and will loose its position within the international context if these subjects do not receive the necessary attention and institutional support. Just to mention a few institutes with the same international orientation, the DPU (Development Planning Unit, University College London) has never dissolved its courses on housing and human settlement development planning. The same applies for the Lund Centre for Habitat Studies (University of Lund, Sweden). It is noticeable that the ISS (Institute for Social Studies, Den Haag) has gradually entered in fields which was a traditional monopoly of the IHS e.g. Housing; the ISS is even becoming eligible to do consultancy works in this field paid by IHS' traditional client e.g. UNCHS/HABITAT.

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<sup>1</sup> "The Built-up Space and the Built-up Environment as an Essential Part of Urban Development. A position paper for the IHS policy week of 1996". IHS, Rotterdam, December 1995.

**Recommendation 2: strengthen IHS capabilities in housing and human settlement planning and enforce it in the new structure.**

The arguments and discussions in favour of this point of view have been sufficiently dealt with in the paper mentioned above. In my view, the most ideal thematic division was presented in a chart of that paper (see Figure 1). The analysis and understanding of urban phenomenon and the development of methods, tools and instruments to cope properly with the urbanisation processes and to tackle the urban problems could be roughly divided in four layers or spearheads. These layers should be related to four major professional practices like the planning, design, management and implementation of policies, programs, projects and action plans:



**Figure 1 Approaches to City Problems**

1. The Governance which refers to a myriad of organisational arrangements, belief systems, processes and managerial procedures, decision making rules, interest group activity patterns and partnerships that govern public policy and affect human activity in the physical environment of cities. This is a new field of knowledge that started to be developed from the beginning of the 90s onwards. It coincides with the change of name of the institute.  
Based on the courses offered during the last years, typical IHS training falling under this spearhead are Urban Management and Planning, Public and Private Partnerships, Urban Management and Community Development, Urban Management and Community Participation, Human Resources Development.
2. The Environment which refers to a general life cycle in the urban environment, concerning resources management that governs the production and consumption patterns in cities; it implies the concerns about all systems that affect the sustainability and liveability of cities like sanitation, energy, transport, etc. This is a field which started to be developed very recently.  
Based on the courses offered during the last years, typical training falling under this headline are Environmental Planning and Management, Environment and Basic Infrastructure, Urban Environmental Impact Assessment.
3. Built Environment which refers to planning processes, concepts and belief systems that shape cities and the dwelling environments - housing - and their implementation thereafter; meaning that there is a particular concern for methods, tools, techniques and management procedures to guide the planning and implementation of urban interventions that affect the form, quality, functionality and durability of human settlements. This has been the trademark and used to be the most consolidated area of knowledge in the IHS. Based on the courses offered during the last years, typical training falling under this headline are Housing Policy and Housing Delivery Systems, Neighbourhood Development Planning, Human Settlement Planning and Design, Inner City Renewal and Urban Heritage, Housing Renewal, Inner City Development in Transition Economies, Construction Management and Technology, Project Implementation Management.
4. Urban Economics which refers to the planning and management of intrinsic economic systems and patterns that sustain the consumption and production of goods and services and local economic development necessary for the existence of sustainable cities. It implies a specific concern for sectoral policies directly related to economic growth, markets and its performance. Alike spearhead 3, the spearhead 4 has been one of the areas in which the IHS had a significant consolidated knowledge.  
Based on the courses offered during the last years, typical training falling under this headline are Urban Development Finance, Economics and Planning; Local Economic Development, Finance and the Urban Environment, Housing Finance, Public and Private Finance of Infrastructure Development, Economics and Finance, Local Economic Development and Urban Poverty.

These fields were equally divided among four development groups though maintaining considerable amount of overlapping; the development groups were responsible to develop new courses, research and training outputs falling under the specific concern of their spearhead. It is noticeable that there has been no critical evaluation about the academic

performance of the development groups and the intrinsic structure behind them. In my view, the development groups had hardly the time to consolidate their functioning with the exception of the group environment and there are many explanations for that which I will not cover in this paper. Now a new structure is being proposed without having a thoroughly assessment of their functioning.

Presently there is a "closed" discussion about a new structure and the fusion of development groups which may result in two big groups (or departments) or three departments. Before deciding about this crucial matter, it is absolutely decisive to assess how representative these four spearheads will be in a new organisational structure and how operational it will be in terms of staff allocation, development of knowledge, training, course development and research. And above all, the discussion about this matter should not be confined to the academic committee. First, because the academic committee does not have an equal representation of these spearheads - there is a noticeable domination of the economic and management view - and second, because this is a matter that involves the professional staff as a whole who therefore should be listened to as well. This matter deserves a broader discussion.

The proposed idea to have only two development groups or departments results into a crowding of two large groups placed around specific topics. This will tend to dilute important subject areas and cause a lot of unnecessary overlapping between professional disciplines for which staff are specialised. This will tend to stimulate internal competition instead of co-operation and complementarity.

***Recommendation 3: establish 3 academic departments reflecting a balanced professional view about cities and urban development.***

Another matter which is not receiving the deserved attention in the present debate is the relationship between the products of the IHS, the profile of the "clients" and the problems faced by their organisations, their local policies, programs and priorities which somehow should be related to peculiar training and human resource development needs. The clients/participants of the IHS courses and training programs are in great majority practitioners who are directly involved with policy making, programming and project implementation. They are neither academia's, starters nor top decision makers. Thus middle level career professionals from which a significant number come from the architecture, engineering and planning background. One must keep this in mind when deciding about the spearheads of the IHS and proposing the fusion of disciplines which will be automatically reflected in the reorganisation of the development groups into departments or divisions. In that way, the resulted courses and disciplines will not be divorced from the reality, key development issues and professional dilemmas. They will not be supply but rather demand oriented. This is a controversial point that cannot be exhausted in this paper. For example, a great majority of prime African urban centres are confronted with the phenomenon of informal settlements. Settlement Upgrading and housing are therefore placed in top government priority next to the needed efficiency of local governments. The IHS courses cannot be dissociated from that.

***Recommendation 4: establish a corporate view and reallocate staff according to this view in order to develop themes and disciplines.***

The fusion of disciplines in an operational model should also involve reallocation of staff to guarantee the development or strengthen of a particular knowledge. Also to materialise the new structure in terms of staffing. This is a critical point and perhaps a serious bottleneck since a significant part of the professional staff is accustomed to be doing things and be involved in works which are more motivated by personal/individual interests rather than the organisation's interest and needs - one can hardly speak of a corporate view. Therefore, we should absolutely avoid any option that will inflate any new or existing group. It was ventilated that the Academic committee is proposing a two department structure which in my view will have a perverse effect for the overall functioning of the professional staff. Besides that, this option will not represent structurally/functionally the scope of the work of the IHS.

## **II. The Structural Functioning of the IHS**

The organisational structure of the IHS is one of the most important means to realise and manage the activities necessary to achieve the development targets and expected financial results. Therefore it becomes pertinent to think very thoroughly about the way the IHS is organised, how actions are co-ordinated, whose responsibility is for what and how decisions are actually made and implemented.

In this respect, the analysis and diagnosis presented to the staff in the Policy Week of 1996 by the KVA consultants fall short. The bottlenecks of the structure were not sufficiently covered and the personalization in several levels of the organisation was disregarded. It is also understandable if one considers the short period of time given to the consultants to get a full picture of the organisation. Besides that, the contact with the academic staff was only limited to a few number of selected persons.

Though not asked for, it is not my intention to provide a ready made solution but rather to provide an input in the debate since the whole professional staff will be affected by choices and decisions that are required in relation to the organisational structure and the spearheads. This decision certainly needs a broader participation since implies the establishment of a basis for the future and the long-term strategic development of the institute as a whole.

This text was originally formulated as a quick reaction to the presentation made by the interim manager, Arthur Manuel, Thursday, 14/3, and therefore it has the character of a draft text. It was later presented briefly in a meeting held with the KVA and is now a bit more enlarged in the present version.

In my view, both the interim manager and the "Raad van Toezicht" do not detain a thorough information and full picture about the internal development process of the IHS prior to the dismissal of the ET. Assuming that the information provided to the RvT was always filtered through the ET, it is not difficult to realise that the information is highly biased by personal preferences and views which do not exactly reflect those of the great majority of the professional staff. Unfortunately, the contact between the "Raad van Toezicht or former Bestuur" with the academic staff virtually did not exist prior to the crisis. Although there was a noticeable approximation during this interim period there was not sufficient time to overcome this gap.

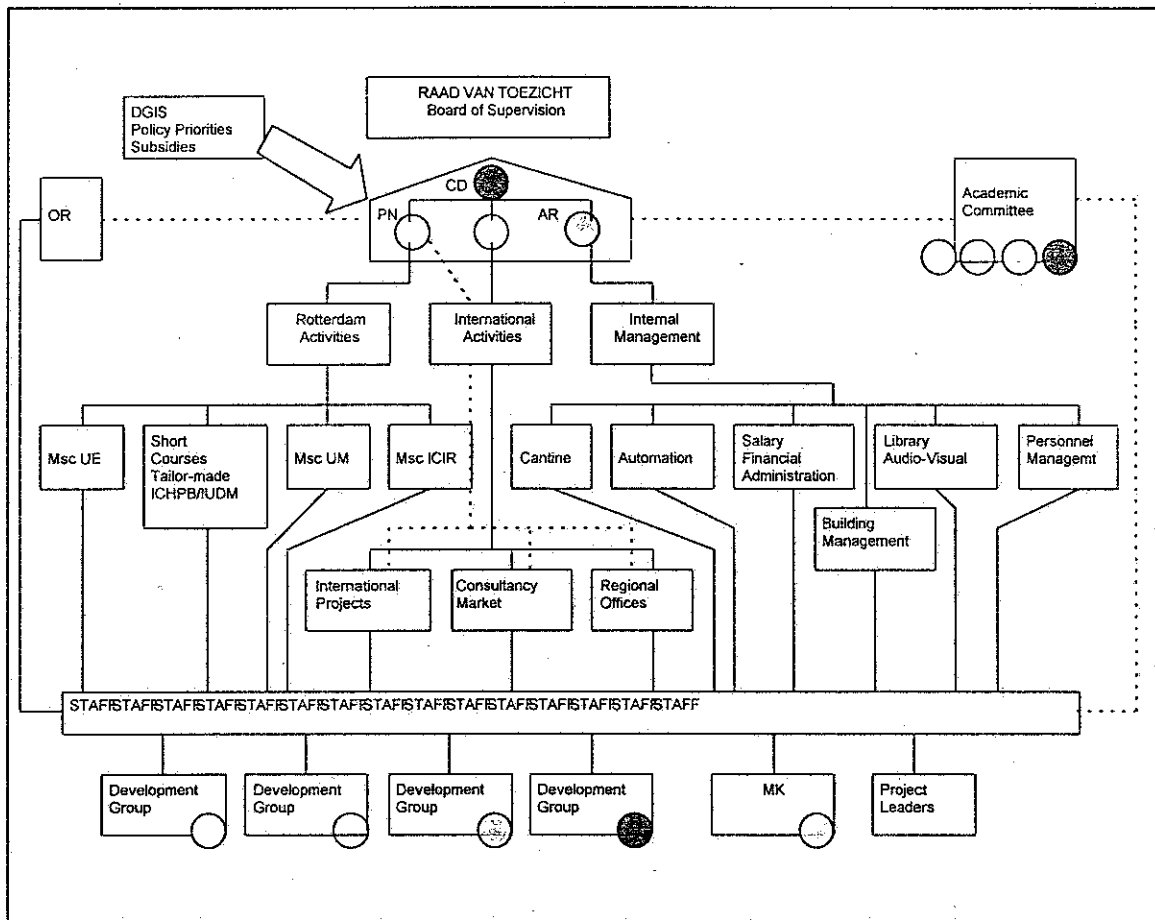
The fact is that during the last three policy weeks and during the regular staff meetings, the academic staff was giving several signs of discontentment about the developments and internal managerial decisions but had very little instruments to intervene formally in the process. On one hand the academic staff had neither the authority nor the opening to propose changes within a context of a highly inflexible management. On the other hand, the existing instruments where changes and decision could be taken e.g. academic committee, development groups, MK, policy week, etc. were carefully controlled by ET members, a fact that indirectly intimidated a more critical and constructive attitude. In fact, these instruments or mechanisms for staff participation had only a figurative role and had no formal status within the organisation and in the decision making process. It was also becoming noticeable the predominance of the management and economic views defended by an ET member in opposition to that which recognises the importance of the spatial, physical and infrastructural dimensions of the urban habitat. This was being reflected in the recruiting of new staff, strengthening of courses, support to professional fields, nomination of task managers, etc.

FIGURE 2 shows the formalization of the informal structure that has dominated the functioning of the IHS for the last years. A series of positions, procedures and activities were consolidated and became a de facto part of the organisation. Despite the critique of a few about the participatory mechanism that allowed the IHS staff to elect a member of the management team, this was always considered as a positive means to allow replacement in the management sphere whenever the appointed person failed or was not performing accordingly. This provided a healthy rotation of staff in positions and minimised personalization and individual dominance within the structure. The last replacement made by the staff in the management was made with the election of Peter Nientied who was later enforced by a decision of the "Bestuur". It is much likely that a replacement in the management would have taken place much earlier than the recent removal of the ET if this mechanism would have existed.

Up to 1993, the management team was formed by four individuals who had responsibilities divided between the Rotterdam based activities (Cor and Bep), the international activities (Ed Maan) and the internal management, including financial management (Peter who also kept the portfolio for the Msc Urban Management). Cor acted as the overall manager of the institute and was responsible for monitoring all activities, having under his portfolio the Rotterdam short courses, while the others acted as managers with specific portfolio. The resignation of Bep and the "removal" of Ed from the ET gave signs of tensions and differences in opinion about strategic decisions, management procedures and choices made about the future of the IHS and its development strategies. Personally, I find the IHS a small institution to have a structure of director and deputy directors. I find appropriate for the IHS the formula of one director assisted by three or four management heads who are responsible for specific portfolio. Unfortunately, neither the positions nor the job descriptions for these posts have never been formalised.

As showed in the Figure 2, there was a rearrangement of responsibilities and the recruiting of Anne Ruden was meant to give a structural solution for the internal and financial management (considering her background in economics) and this would provide Peter Nientied with the opportunity to move to the Rotterdam activities. The Rotterdam activities were traditionally under the portfolio of the director. However, the changes in the ET brought no change in management styles, procedures and decision making. It was just the strengthening of a certain vision of what the IHS as an academic institution should become.





**Figure 2** The Formalization of IHS Informal Structure

A careful analysis of the organisational chart showed in the Figure 1 will reveal some inconsistencies. The presence of ET members in almost all committees and levels of decision reflects the process of total control and overwhelming interference of the ET members in practically all activities which could decide or influence the development choices, strategic directions and spearheads of the IHS. Very little space and opportunities were left for a conducive professional staff participation in these choices. Full delegation practically did not exist. Appointments, delegation, decentralisation in decision making and staff allocation were made on an adhoc basis, without clear criteria and based on "personal" preferences which was reflected in the manpower planning.

It is not difficult to realise that it would be humanly impossible to have an optimal management performance of the ET with all the three members involved in so many activities next to their management tasks. Consequently, some of their tasks could never be accomplished e.g. the annual report that was announced in every policy week was never realised; the strategic plan claimed by and partly discussed by the professional staff was never materialised; the strict financial management and transparent accountability was rare; the market strategy with specific chapter for each region was never done except Eastern Europe (purely motivated by personal interests). But what needs to be emphasised is that

the present management crisis is not only related to management failures and financial shortcomings but is above all the result of critical differences in professional views between Cor Dijkgraaf and Peter Nientied. Differences that lead to an unresolved conceptual and philosophical conflict in which unfortunately the professional staff was kept marginal and had very little chances to intervene. The impasse could not be resolved with an altruistic view towards the organisation.

It is irrelevant to keep revolving the past though refreshing the memory seems to become relevant in an organisation that has very short memory and do not use lessons learned from the past. Therefore it becomes highly pertinent to look back at the origins of the problems if one wishes to propose something new. It is necessary to know with accuracy the "ins" and "outs" of the organisation and the performance of the institute and of those who were responsible for its functioning. A honest and open heart discussion with different academic staff members would certainly reveal a lot information which remain undisclosed.

The consultants of the KVA detected what was already known by the whole staff about the scepticism and the deterioration of the working atmosphere within the IHS. However, it is worth to recall some important points:

1. ET members were often stepping on one another's responsibilities and taking different decisions and bringing different views about the same topic which demonstrated the absence of cohesion and management line.
2. Decisions were far from being transparent and there was lack of criteria on the allocation of staff for assignments and jobs, giving signs of personalization instead of professionalism in decision making.
3. The manpowerplanning lacked overview of the activities and expertise of the staff resulting in people being "overbooked" while others remaining idle for reasons never clear for the staff. Some staff had all opportunities while others practically none a fact that gave signs of typical friend's policy.
4. Conceptual and philosophical differences among the ET members (rather to become an urban economic and management oriented institute or a housing and urban development institution detaining a strong technical profile as well) were resulting in a lot of adhoc decisions about course development, allocation of development time, recruiting of new staff, assignment of staff to courses, etc.
5. Development groups were "competing" with one another and working in isolation rather than co-operating more fruitfully in research and course development.
6. A gradual deterioration of the working environment and a continuous distrust of the staff towards the competence of the ET to manage the institute.
7. A growing fear of the staff for repressive measures and retaliation - characterised the management style practised by the ET - which inhibited the staff to express its views and opinions openly.
8. A consolidated informal culture of the organisation which personalised the decisions and facilitated the formation of enclosed informal "task" groups within a particular field, often motivated by preferences of an ET member.
9. The level of participation of the staff in certain levels of decision making gradually disappeared, resulting in the weakening and deterioration of the policy week as a general forum for policy making and decision taking.

The only engine that kept the staff performing within expected academic standards was the personal motivation, individual interests and the degree of professional awareness kept alive by some who were much concerned with the higher mission of the institute. That which extrapolates the day-to-day management of the institute.

***Recommendation 5: In order to create a different organisational structure that can extract the best of the staff and maximise the potential of the institute, it is first of all necessary:***

- (1) *to change the culture of the organisation (vanish the personalization of positions and decisions) and dismantle the informalization of development groups,*
- (2) *to change the management style (create a formal mechanism for the professional staff to express its views),*
- (3) *to reallocate people to other positions and dismantle the informal power structure (more opportunities for younger and capable staff to assume responsibilities and build managerial experience within the organisation),*
- (4) *to define clear job descriptions and assign responsibilities, autonomy and authority to all key positions (formalise authorities, lines of subordination and accountability), and then*
- (5) *to materialise the levels of decision and authorities in a clear organisational structure.*

However, it is necessary to warn the RvT that there are intrinsic risks of "compartmentalisation" if a new departmental structure with several business units will emerge. There has been always a series of informal "business units" formed around a particular task, effort, project proposal, thematic development which provided the opportunity to a group of staff to continue working in topics, places or regions of their preference. This has had a perverse impact on the overall policy development and strategic choices of the organisation as a whole. The assignment of responsibility and authority through the establishment of "semi-autonomous" business units (tasks, responsibilities, budget, financial control assigned to "managers") may strengthen this "compartmentalisation" instead of creating cohesion, institutional development and a corporate policy. Above all, most projects and activities of the IHS are typically multidisciplinary and cannot be confined to one group, department or unit (with control over budget and staff allocation) unless they are composed by members with different backgrounds and diversified expertise. Once again, this is contradictory to the principle of creating a departmental structure per discipline or spearhead and will create undesirable competition among these units.

Therefore it becomes important to define first the spearheads, the professional fields and driving forces on the regional levels which will help the IHS to define its priorities.

It would be perhaps advisable to select a few academic staff to develop a spearhead strategy paper which can appoint development directions in regions which are strategically important for the IHS, something that is absent until today. Such a paper could feed-in the long-term IHS strategy by providing a vision, identify key issues emerging for city governments in Africa, Asia, Latin America and Central and Eastern Europe, possible training needs, trends in donors' policies and particularly the Dutch development policy, the World Bank, the UNDP country programs; a paper that could show the RvT and the IHS management the trends, opportunities and threats to be found ahead. The IHS could then anticipate, strengthen

peculiar areas, consolidate its own strength and define the most appropriate products, courses, thematic development and consultancy perspectives. I would suggest to have a team formed by an old and young staff (from complementary disciplines) who will be requested and given the time to do this assignment which should be delivered within a maximum of one month. As indicative, Hans Teerlink and Jos Frijns could develop a policy paper for Africa; Max Jeleniewski and Bart Maas could do for Central and Eastern Europe; Mike Rodell and Claudio Acioly for Latin America; and Florian Steinberg and Ferry van Wilgenburg with the support from Robert v/d Hof for Asia. The format, structure and length of the paper could be previously defined so that all papers would follow the same formula. This could provide a valuable and resourceful input for the future development of the IHS.

***Recommendation 6: develop policy papers appointing strategic directions according to key issues identified at the regional level and in Dutch partner countries.***

Although the strategic choices represent a serious bottleneck to be surpassed urgently and considering that there is not a consensus about that yet, the functional reorganisation and the definition of areas and prospects could be prioritised and done simultaneously. These are all inter-related issues which must be reflected in the final organisational structure of the institute.

Figure 3 presents an alternative structure for the IHS which is built from the last reorganizational initiatives and from informal discussions with various staff members. Three major departments are suggested, from which two a professional and academic oriented and the other purely managerial: (1) Training and Research Department, (2) External Advisory Services Department and (3) Administrative and Financial Department.

The highest decision making level of the IHS would be placed in a Management Council formed by the Director and three (3) heads of departments with the director keeping the highest responsibility towards the RvT, the external world and the internal management of the organisation. That means that the IHS would have only one director who has the final responsibility for the overall management of the institute and is accountable for the final decision and implementation of the policies and strategies of the institute. He is accountable to the RvT which means that on top of him in the hierarchical line there is only the Raad van Toezicht.. The management council intends to provide the director with a comprehensive view of the institute and advise in specific aspects of the work and functioning of the organisation. Although the council would function as an advisory mechanism and management support, there exist a clear hierarchy in terms of job description, responsibilities and authority between the director and the heads of department - members of the management council.

***Recommendation 7: strengthen participation of the staff by creating formalised levels and mechanisms in the functional structure.***

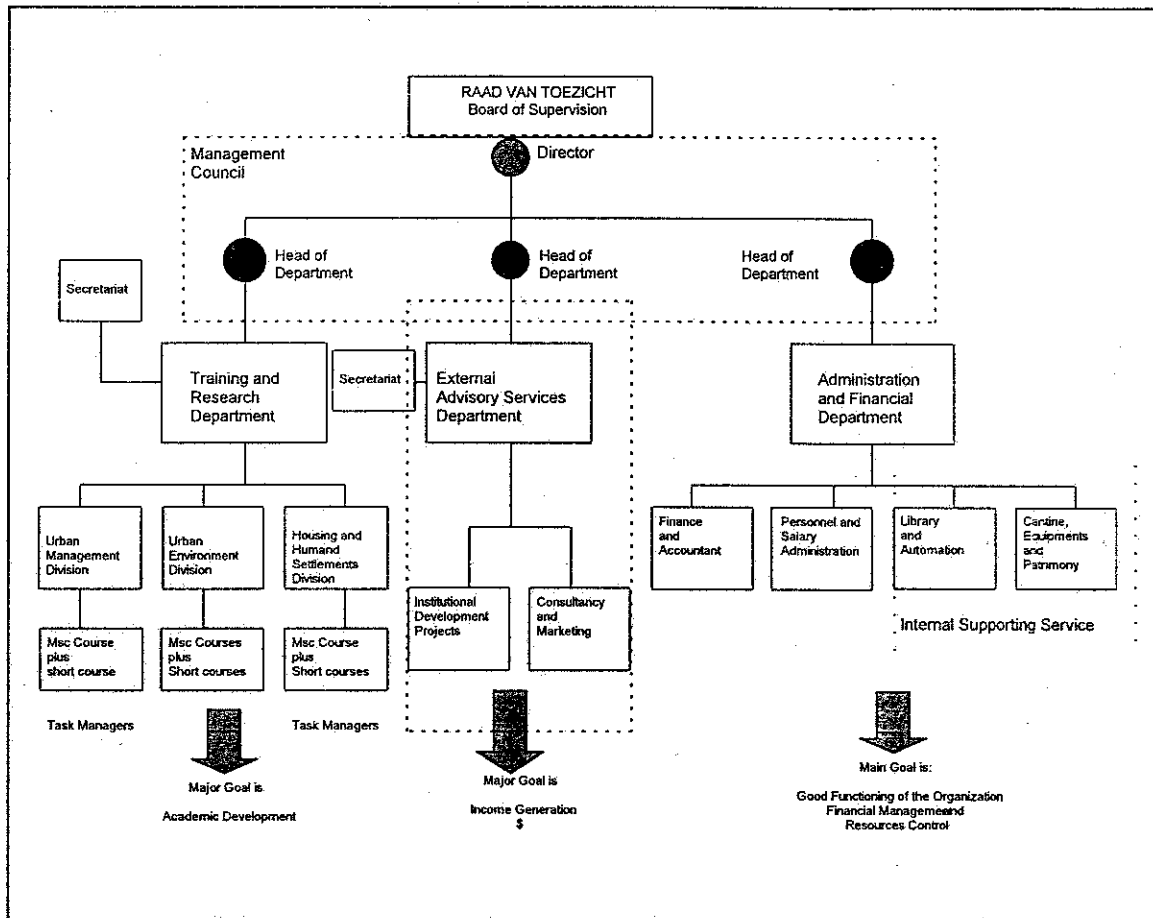


Figure 3 A Possible IHS Structure

The argument is that the institute is too small to have director and deputy-directors with almost the same responsibilities. The facts and lessons learned from the recent developments confirm the unsuitability of this model. But the complexity of the institute's scope of work demands the existence of a mechanism to support management decisions.

The position of the heads of departments would be open for applications for the staff once the reorganisation is completed and a new director is in post. It is advisable to have an open recruiting procedure co-ordinated by the Director and the Raad van Toezicht. It is advisable to establish a recruiting and selection committee to evaluate and even interview candidates from the staff. In the future, this practice could be extended to external candidates.

The three departments would have specific tasks and responsibilities formally assigned; meaning that the respective heads of departments would have the autonomy and authority within their areas of concern. They would supervise activities, projects and the functioning of the staff under their subordination, do double check of expenditures, make a systematic product assessment, manage staff activity and performance under their subordination and be accountable to the IHS director about all affairs under their responsibilities. Below the heads of departments, there would be heads of different divisions dealing with very specific subjects

and having very specific responsibilities, tasks and authority accountable to their head of departments.

The Training and Research department (see the detail in Figure 4) is composed of three (3) divisions: UMD-Urban Management Division, UED-Urban Environment Division and HUSD-Housing and Human Settlement Division; all headed by a head of division who would have under his subordination a series of task managers operating with assigned tasks and responsibilities (clearly defined in a job description or TOR-Terms of Reference), controlling budget and financial expenditures in relation to the specific budget of their activities and being accountable to all matters referred to their tasks e.g. a project, a course, a research, a consultancy service, evaluation procedures, implementation of academic activities, etc. A research co-ordinator would have the position of a specific cross-division task manager who would be responsible to co-ordinate and develop all activities related to research funded by internal and external resources. It is essential that these positions would be declared open for applications from the staff once the reorganisation is completed.

The head of department will guarantee the cohesion, inter-sectoral co-ordination and co-operation between the various divisions under his/her department. In the case of the Training and Research Department, the head of department will strongly act as a mechanism to neutralise the tendency of competition among the three division and the duplication of efforts, will supervise staff allocation and the management for all academic activities; he/she will be responsible for a continuous liaison with External Advisory Services in terms of external activities in the international projects, consultancies and advisory services. Within the Training and Research Department, there are some specific positions for task managers that can be already identified and budgeted in terms of time allocation and financial resources:

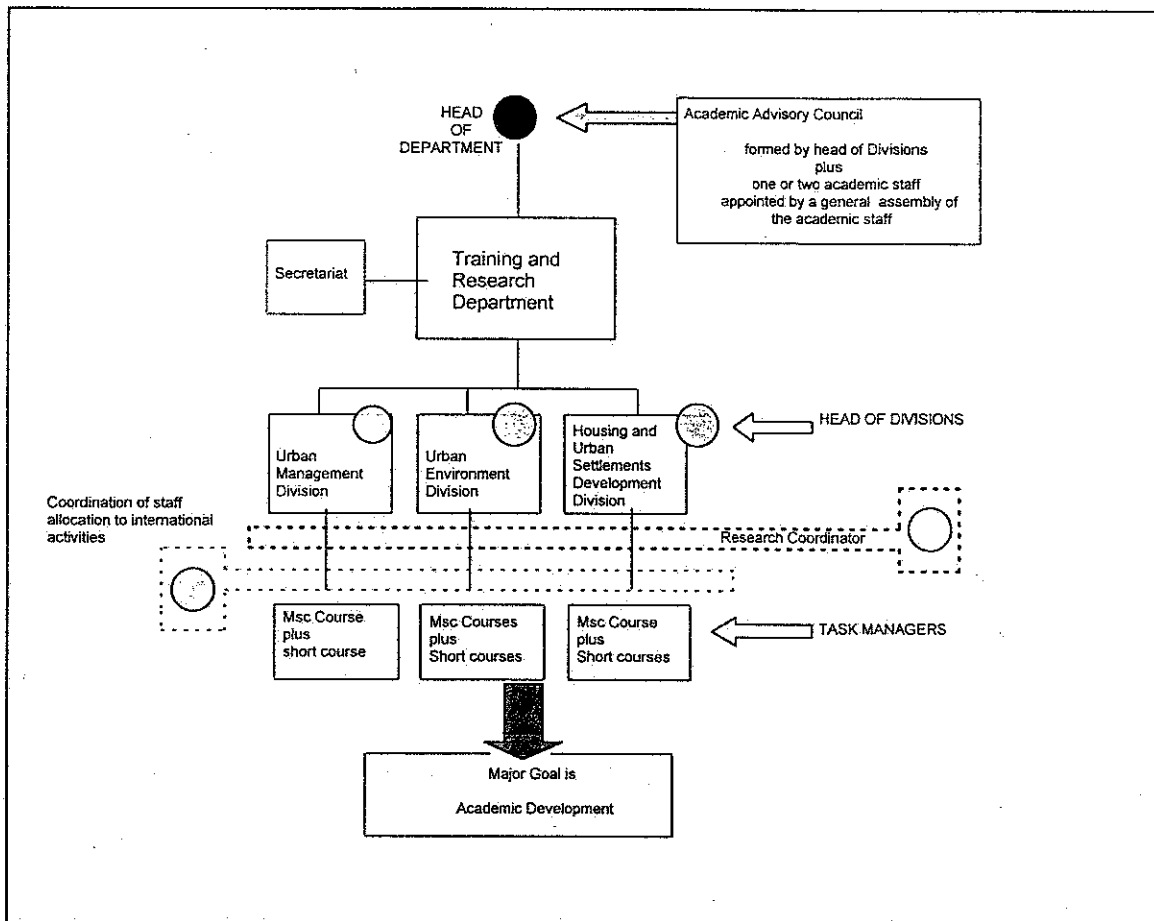
task manager Msc course1,  
task manager Msc course2,  
task manager Msc course3<sup>2</sup> ,  
task manager ICHUD courses,  
task manager publications and  
task manager research who will have a clear job description and responsibilities.

For all these positions there will be a pre-defined term of 3 years which could be renewed for another term for the same member but it would be open for interested candidates as well. They would be not permanent so that rotation could be fostered.

***Recommendation 8: avoid "compartmentalisation" and create formal lines of authority and decision.***

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<sup>2</sup> It is assumed that in the future - once the financial situation is stabilized -, it will be possible to continue the development of the third master course which covers specific physical aspects of cities and particularly the inner city. Alike other international institutes like the ISS, ITC and IHE, it is suggested here that the IHS should also work in the direction of the third master degree. There is a lot of ground work already done, an assessment of training needs and preliminary agreements with an university. There are several evidences that practitioners coming to our courses are missing some of these aspects on a master degree level.



**Figure 4 Cohesion and Co-ordination in a New Structure**

Apart from that, every course co-ordinator, individual paid research co-ordinator, tailor-made course co-ordinator, specific assignment or consultancy work will act as task managers over the intrinsic activity, detaining the financial control of the approved budget and total responsibility for the output and would be accountable for the final results for the head of his division or head of department.

***Recommendation 9: stimulate rotation of staff, decrease long-term permanencies in positions and declare all posts open for application from the staff.***

The Training and Research Department would be advised by an Academic Advisory Council-AAC formed by members of the academic staff. Membership of the council would respect a balanced composition in terms of professional and academic disciplines. The three heads of division would be natural members of the council. The council would be completed by two other staff appointed by a general assembly of the academic staff but respecting the positions established in the internal regulation of the council.

The composition of the Academic Advisory Council-AAC:

1. Urban Management Expert (head of division)
2. Urban Environment Expert (head of division)
3. Housing and Physical Planning Expert (head of division)
4. Finance and Urban Economics Expert (appointed)
5. External Staff Adviser (appointed)

The seats in the AAC would not be permanent. The membership and positions would be occupied for a renewable term of three years. So that every three years the composition of the AC would be open for renewal. This would stimulate the necessary dynamics in the functioning of the AAC and provide possibilities for rotation of staff, new ideas, innovation and input of "fresh" blood. Membership in the AAC would be kept in balance with the different spearheads of the IHS. The AAC would also provide advice to the Management of the IHS. The argument is to have an independent AAC which could operate detached from the IHS management's influence and control. It would become a professional advisory board in academic matters.

The proposed Housing and Human Settlements Division is meant to strengthen an academic field for which the IHS has consolidated its international reputation and to respond to an increasing awareness about the role housing and human settlements play in the process of economic growth of nations. It would provide the multidisciplinary view about this core subject and provide a technical approach and views to urban problems as described by Acioly and Steinberg (Acioly, C. and Steinberg, F., 1995). In the annex of this paper there is a further detailing of what the could be developed by such a department. The diagrams were developed during the policy week and discussed in two meetings of the Habitat Development Group.

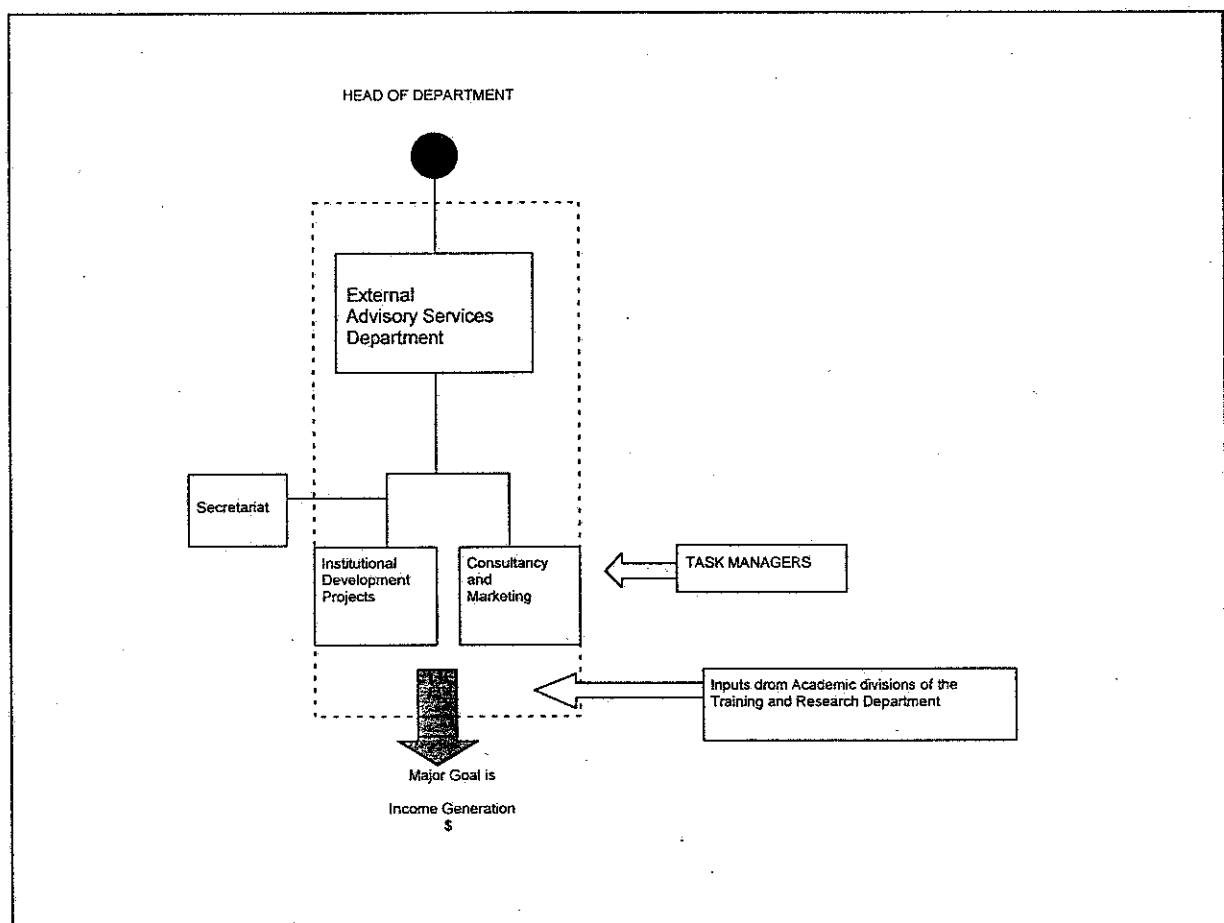
The Urban Management division would cover the issue of governance of cities implying the myriad of organisational arrangements, decision making rules, partnership mechanisms and public policy and planning related to local governments, public and private institutions and the overall performance of cities.

The Urban Environment division would concentrate on the various aspects that emerged with the Agenda 21. The principles and ideas of the sustainable city, the policy and technological tools to manage and plan the urban environment in a sustainable way. The various aspects of resource management and the life cycle within an urban environment.

The question remains where to place the spearhead no. 4 that focuses on the economic dimension of urban development. It seems logic to place this spearhead under the urban management division due to its close linkage with urban productivity and financial sustainability of cities, levy of taxes and revenue collection, urban markets and the finance of urban development. But this should be carefully implemented in order not to crowd this department. However, the aspects of housing finance and cost recovery directly linked with the implementation of urban projects and programs seem to fit better under the Housing and Human Settlement Division. There is a consequence for one or the other choice: the staff involved with the financial and economic aspects of urban development (around 7 staff members) will have to split among two groups. This will not be an easy process considering the strong personal motivations and peculiar interests of the group.



The external Advisory Services Department gains a more "autonomous" position in relation to the other departments (see Figure 5). In relation to the existing structure, it is proposed to have this department and this particular activity more professionalized and efficiently organised. It is recommended to have at least one professional staff acting as a task manager mainly responsible for the co-ordination of all activities aiming at external advisory services (ideally will be two professional staff allocating some fte's). This department deserves a special attention and a serious restructuring in relation to two major tasks: co-ordination of the international projects like India, Egypt, Indonesia, etc. and the acquisition and programming of new activities in technical assistance and professional advisory services. This implies the reply to requests from private, public, multilateral and bilateral organisations and the response to potential tendering proposal and partnerships with consultant firms.



There is a need to have a professional staff involved in the preparation of project proposals, networking with international agencies e.g. multilateral, bilateral, funding and development co-operation agencies, finding out upcoming tendering and establishing strategic partnerships and alliances with other professional organisations. In terms of tasks and responsibilities, this activity should be dissociated from marketing and public relations and the co-ordination of the international projects. These three tasks should be allocated to specific task manager's list of responsibilities. It is inconceivable that the IHS has not been able to carry out long-term work for the European Union, World Bank and the UNDP. Most of the

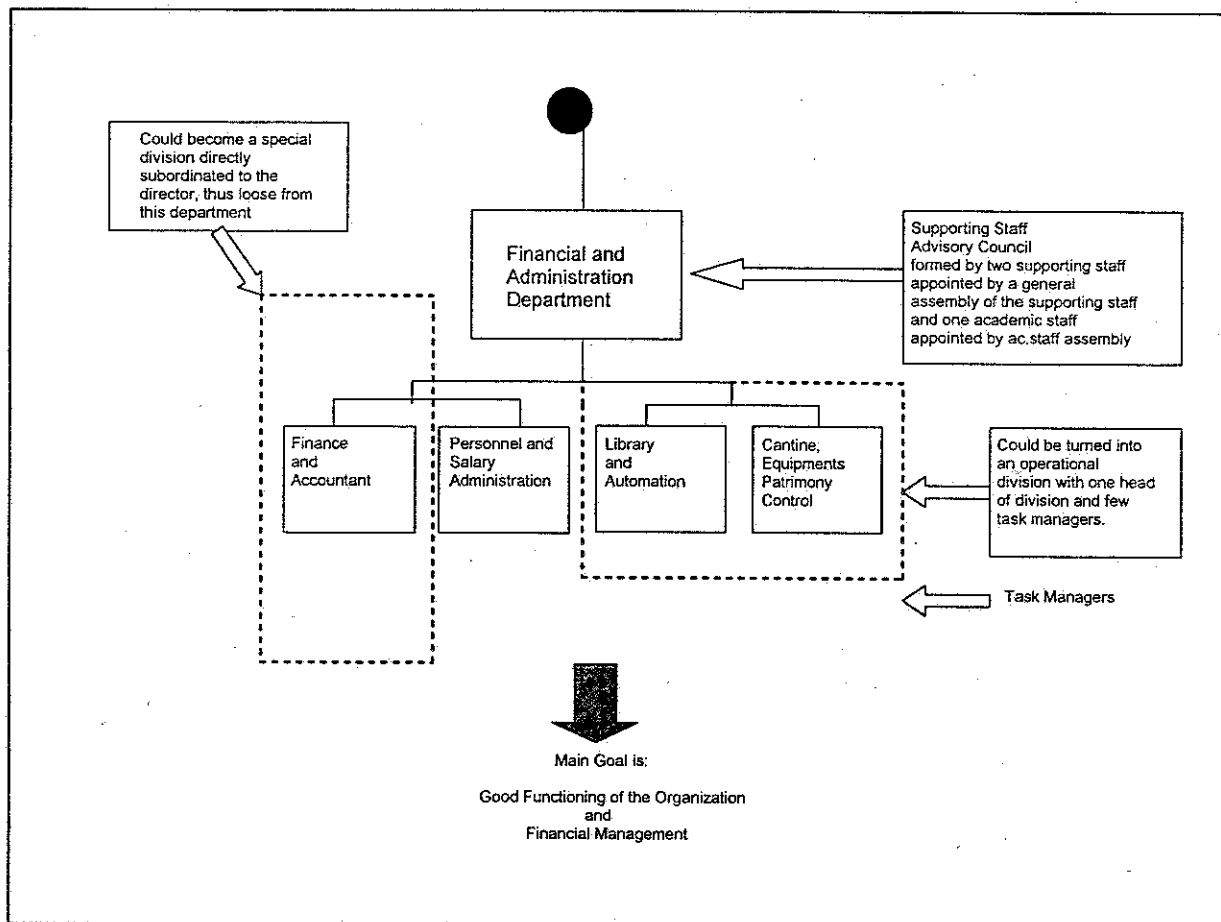
work is done on the basis of short-term consultancy. There are many programs financed by the European Union for which the IHS would be eligible but it first need to demonstrate interest for it and make sure that it is short-listed.

The main goal of this department is to generate work and projects strategically important for the future development of the institute. The co-ordination and allocation of staff for various activities (manpower planning) would take place at the regular liaison of the management council. Staff not allocated to teaching should be immediately put available for missions or consultancy and vice-versa. This rotation of practical work abroad and teaching activities in Rotterdam has been the most important mechanism for staff development, professional renewal and course enrichment. It represents an unique chance for the staff to get involved with ongoing programs and be exposed to dilemmas and problems from the practical world. It is highly recommended to maintain this peculiarity in the new structure.

Finally, there is a Financial and Administration Department that needs a thoroughly restructuring in its present form (see Figure 6). Besides the need to have a strict budgeting and expenditure control that allows continuing management of disbursements and incomes - matching the ends with the means -, it is essential to make a review of the major activities in relation to individual responsibilities. It is essential that next to a professional background compatible for the IHS works, the head of this department should have a business and administration background or at least a reasonable experience with financial management and market assessment. This has been a traditional weakness of the IHS and the cause of weak financial performance. A good academia or professional is not necessarily a good manager!

A careful analysis of the present functioning of this section will reveal that it is much possible to merge specific tasks and positions. It is highly necessary to have fasten accountant and financial control, closely co-operating with one another though separated in different job positions. All budgeting and expenditures must be checked by this department in order to achieve an unique type of procedures, fees and costs. There is a need to have a dynamic double check of costs and performances of all sections, departments and units of the IHS. There is a need to establish monitoring mechanisms and consolidate warning systems for budget overriding.

A possible option is to split this department and bring a special division Finance, Accountant and Financial Administration falling under the direct subordination of the director. In that way, this division would be separated from the departmental structure. The third department would be called Internal Supporting Services split into two divisions co-ordinated by a head of division covering automation, library, canteen, personnel, equipment's and patrimony control. Some specific task managers would be created for library acquisition, database management, patrimony and office supply control, etc...



## 6 Reorganizing the Finance

### III. Staff Selection for New Posts and Selection Criteria

It would be too naive to believe that a new structure will be consolidated and strategic policy choices be executed without the need to make a significant rotation of staff and specially to remove from their present posts those who have been long enough in decision making positions. In case former ET members remain with power or authority within the institute's new structure, the scepticism about the changes and the lack of objectivity in decisions about staff allocation, job allocation and career opportunities within the IHS will remain intact. No wonder that the OR and the great majority of the IHS staff have conveyed this opinion after the last staff meeting (23 February) which unfortunately has found no echo within the RvT and the interim management.

There is a need to change a series of vicious attitudes consolidated by a long lasting informal structure of procedures. There is a need to establish clear lines of accountability and transparency in decision making about staff allocation.

In my view, it is essential to declare all new positions open for applications by the academic staff and for the supporting staff in case they do exist. By this way, the new structure will start fresh and hopefully with new blood injected in the system.

It is expected that new professional posts will emerge with the reorganisation as proposed in this paper. They should have a job description with a clear amount of FTE's allocated for specific activities (just like in the universities) like managerial work, teaching, consultancy, research, advisory works, etc. It is likely that staff may need to rotate to particular activities when specified in their job description and fte time. For example, it is noticeable that the consultancy and marketing division deserves support from the academic staff. This could easily be combined with other activities e.g. teaching and research.

It is not my intention to define the fte's and the job descriptions for all the positions in the new structure. This deserves a more careful analysis and the proposals must be closely linked with financial figures.

Although this proposal has a schematic character, one can foresee new posts that will be open for application procedures by staff:

Director

Head of Departments:

Head of Training and Research Department

Head of External Advisory Services Department

Head of Administration and Financial Department (or Special Division)

Head of Divisions:

Head of the Urban Management Division

Head of the Urban Environment Division

Head of the Housing and Human Settlements Division

Head of Internal Supporting Services Division

Head of Consultancy and Marketing Division

Task manager Institutional Development Projects

Task manager Consultancy and Marketing

Task manager Msc course1,

Task manager Msc course2,

Task manager Msc course3 (future)

Task manager ICHUD courses,

Task manager publications

Task manager research program

Positions for the Academic Advisory Council-AAC:

Urban Management Expert (head of division)

Urban Environment Expert (head of division)

Housing and Physical Planning Expert (head of division)

Finance and Urban Economics Expert (appointed)

External Staff Adviser (appointed)

## **Annex**

**The definition of the core subjects of the Habitat Development Groups**  
(which could be taken over by an academic department in the new structure of the IHS)

The Habitat Development Group has the built environment as the concentration and entry point of its courses. The HaDeG considers that the physical and spatial quality of sites, urban areas and cities as a whole must comply to principles of technical and economic feasibility. The form, quality and functionality of the physical structure of cities must be conducive to and allow sustainable urban development to take place.

Housing as mechanisms to build cities and accomplish policy formulation, implementation and economic development.

Physical interventions that must break the conventional/traditional planning and design approaches.

Partnerships which conduces to local development and urban revitalization.

Correct project management that produces sustainable outcomes.

HOUSING

THE  
BUILT  
ENVIRONMENT

NEIGHBOURHOOD  
REVITALIZATION

INTEGRATED  
URBAN  
DEVELOPMENT

The core is the Built Environment meaning that the HaDeG considers the physical performance of cities as important as the financial, environmental and managerial performance.

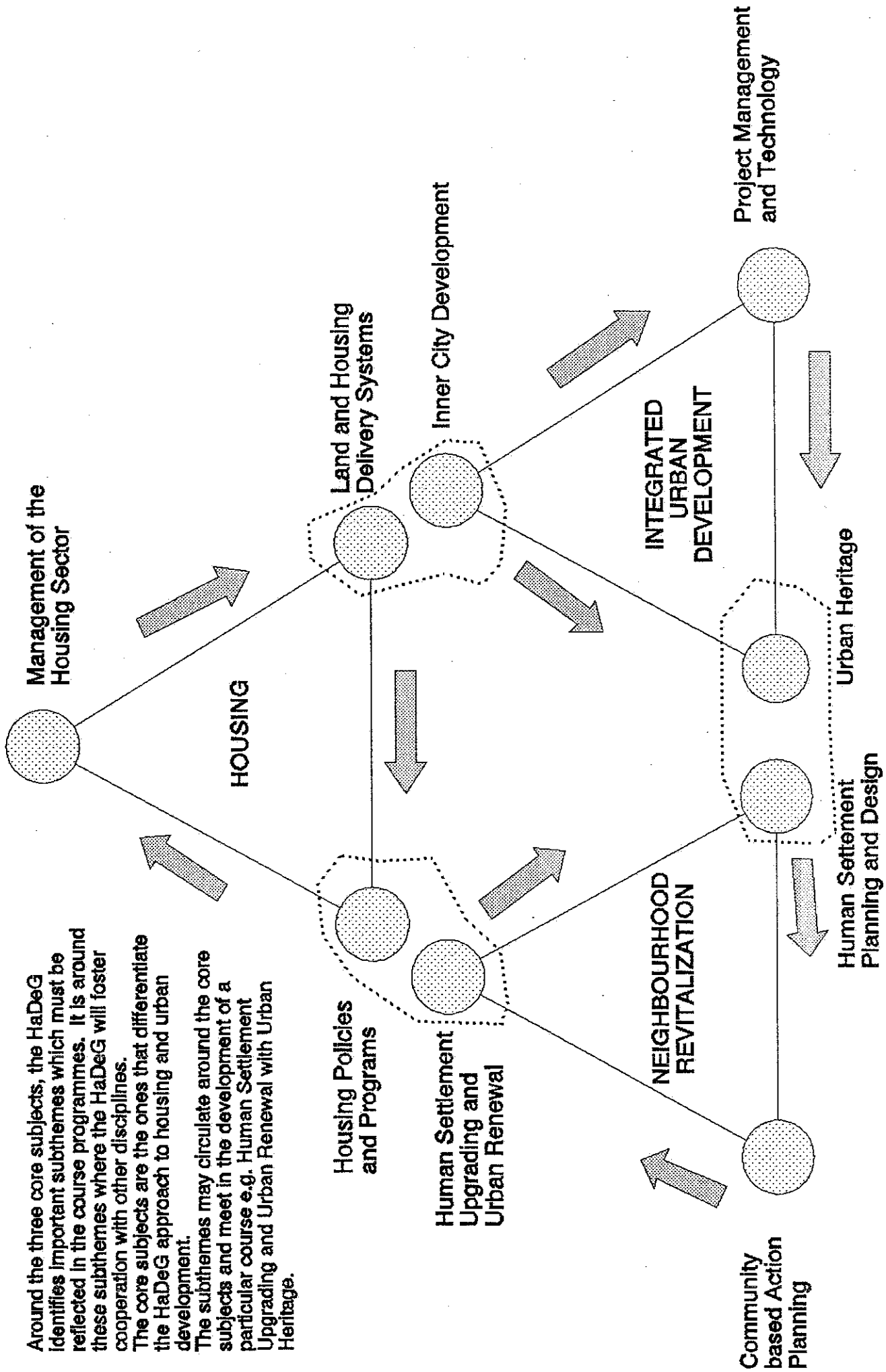
A triangle formed around the built environment is formed by interconnected themes: Housing, Integrated Urban Development and Neighbourhood Revitalization

Housing meaning that the management of the housing sector is considered relevant since it embraces the multifaceted character of housing e.g. housing projects, programs, policies, delivery systems and institutional settings. The housing production process till actually implementation is equally important to housing finance and management.

Integrated Urban Development meaning that partnerships, Institutional development, project management and the improvement of the building stock are relevant to inner city and local development processes.

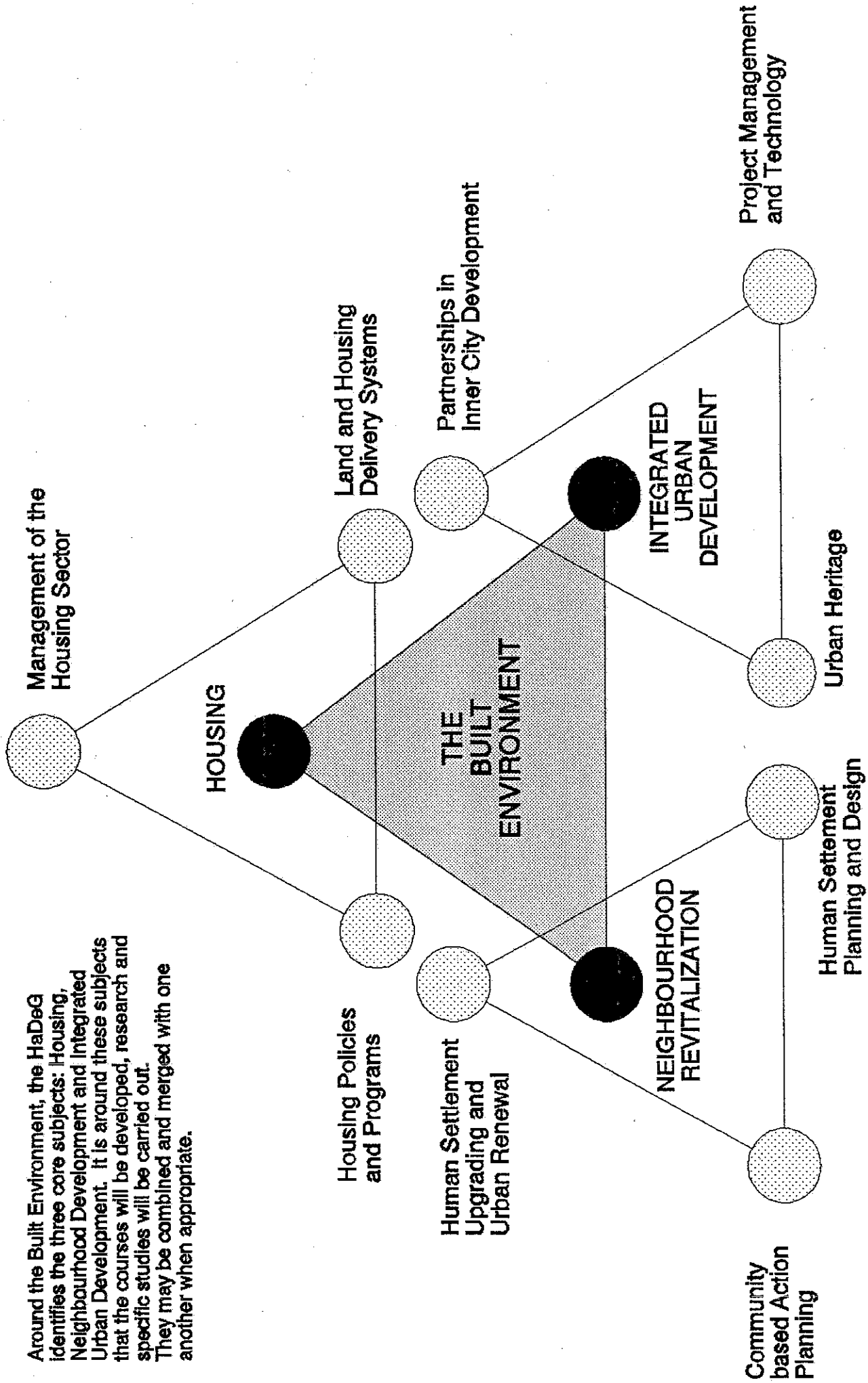
Neighbourhood Revitalization, meaning that local development planning, physical, social and economic renewal assumes relevance in a participatory environment where partnerships are fostered.

Around the three core subjects, the HaDeG identifies important subthemes which must be reflected in the course programmes. It is around these subthemes where the HaDeG will foster cooperation with other disciplines. The core subjects are the ones that differentiate the HaDeG approach to housing and urban development. The subthemes may circulate around the core subjects and meet in the development of a particular course e.g. Human Settlement Upgrading and Urban Renewal with Urban Heritage.



Project Management and Technology

Around the Built Environment, the HaDeG identifies the three core subjects: Housing, Neighbourhood Development and Integrated Urban Development. It is around these subjects that the courses will be developed, research and specific studies will be carried out. They may be combined and merged with one another when appropriate.





By defining its main core subjects, the HaDeG can easily appoint the merging and direct linkage that it deserves to reinforce among and within the 9 different subthemes. Whether it will link housing policies and programs with settlement upgrading and urban renewal or inner city development with community based action planning.

