ExCEL3
Excellence in Capacity-building on Entrepreneurship and Leadership for the Third-sector

A HKU project supported by The Hong Kong Jockey Club

A Workshop on
Organisational Capacity Assessment
for NGOs

Capacity Assessment Project by
ExCEL3 &
Department of SWSA
3-5pm, 7 Nov 2013

Today's Foci

1. Introducing the Concept of Organisational Capacity Assessment & Capacity Building

2. Overview of Organisational Capacity Assessment Tools and Processes

3. Introducing Capacity Assessment Project by ExCEL3 and SWSA

4. Sharing of OCA experience by Chairman of Good Rock Foundation

Organisational Capacity Assessment & Capacity Building

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ExCEL3 Excellence in Capacity-building on Entrepreneurship and Leadership for the Third-sector

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Introduction to organisational capacity assessment & capacity building

1. **What** is organisational capacity building?
2. **What** is organisational capacity assessment (OCA)?
3. **Why** conduct OCA?
4. **When** should OCA be done?

Linkages between Organisational Capacity and Effectiveness (Paul Light, *Sustaining Nonprofit Performance: The case for capacity building and the evidence to support it*, 2004)

- NGOs can effectively achieve their mission and be poorly managed
- NGOs can be well managed but still not achieve mission
- Poorly run organisations cannot produce program impacts for **a long time**
- Trick is to **achieve** and **sustain** effectiveness over time

Building organisational capacity 機構能力建設

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1. What is capacity building?

- **What is "capacity"?**
  - **Capabilities**, **knowledge**, and **resources** that NGOs need in order to be effective 需要的能力，知識，資源
- Capacity building is **purposeful** and **conscious** efforts to **mobilise organisational development** 是有目的，有意識地促進機構發展
    - Structured process
    - Specific change objectives
    - Builds on existing capacity
    - Ongoing
    - Context specific
    - Sustainable
- **Activities**: planning, reorganising, assessing, installing, training, etc.

Process is **designed** following an **initial diagnosis** or **capacity assessment**

2. What is organisational capacity assessment (OCA)?

- **Systematic process** to identify the **current capacity**
- Areas of **strength** and areas of **development**
- **Select capacity building activities** for desired improvements
- Selecting an appropriate tool depends on:
  - Purpose
  - Organisational complexity
  - Cost
  - Level of concern or crisis

> *Journey of learning and discovery rather than a test or judgment*
> 學習和探索之旅

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3. Why conduct OCA?

- Learning beyond projects
- Learning as a whole organisation
- Capacity building

- Learning beyond projects

- **Project evaluation** tells us little about **how organisations function**
- **Project results or outputs** are often what is measured or assessed
- Project evaluations often reveal **major organisational issues** beyond deliverables of a project

- Learning as a whole organisation

- **Money** is often not the solution 需要聰明，策略的經營方式
- **Learning purpose**
- **Clear and accurate picture** 清晰和準確
- **Planned development effort** 規劃發展的啟動點
  - strategic planning, restructuring, program development, service delivery enhancements, targeted organisational improvements

- Capacity building

| Organisational capacity | → | Organisational effectiveness |

- **Purpose of capacity assessment is for capacity building**
  - **Baseline** of current capacity 現時的能力基線
  - **Capacity indicators** serve as reference points for **monitoring changes** 指標作為參考點，以監測變化
- **Capacity assessment process builds capacity itself**
  - Should not be separated from capacity building
  - Should be conducted **before** capacity building to identify training **needs** and **after** training initiatives to identify **changes**

4. When should OCA be done?

Specific:

- Turning point; major change of direction 大方向轉變
- Decision making
  - Strategic decisions 策略決定
  - Program decisions 項目決定
  - Financial-feasibility decisions 財務可行性決定
  - Staffing decisions 人才決定
- Support funding decisions (donors)

General:

- Identify strengths & weaknesses
- Identify issues & key areas for improvement that should be addressed through specific action
- Assist fundraising
- Provide donors/stakeholders information about the organisation's performance
- Vision renewal exercise
- Generate information useful in planning and decision-making

Regular basis (e.g., annually) to integrate organisational learning into organisation culture 將學習融入機構文化

Are you ready?

- **Cultural** readiness文化
- **Leadership** readiness 領導
- **Resource** readiness 資源
- **Vision & strategy** readiness 願景與策略
- **People** readiness 員工
- **Systemic** readiness 系統

- Organisational culture
- Support process/resources
- Commit ppl, time, money
- Has/ wants to have clear vision
- Commit and work together
- Has/ wants to have systems in place

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Summary

1. What is organisational capacity building?
   – Capacity building is purposeful and conscious efforts to mobilise organisational development
2. What is organisational capacity assessment?
   – Systematic process to identify current capacity; journey of learning and discovery
3. Why conduct OCA?
   – Learning beyond project; learning as a whole organisation; capacity building for organisational effectiveness
4. When should OCA be done?
   – Anytime and regularly, but organisation needs to be ready

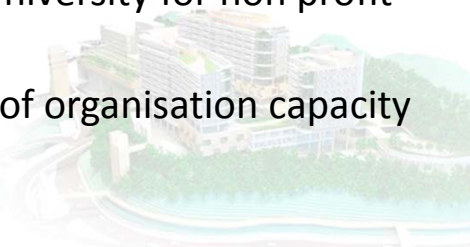# Organisational Capacity Assessment Tools

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OCA Tools

- Different methods and tools for Organisational Capacity Assessment
- Developed by Consultancy Firms, Government, Funders as well as University for non profit NGOs.
- Assessing key areas of organisation capacity
- 4 – 10 dimensions
- 60 – 176 questions

Examples of OCA Tools

	Assessment Tool	Institution	Key Features
1	Organisational Capacity Assessment Tool (OCAT) (1998)	PACT, Inc.	Organisational Development Scale 1-6 to identify the urgency for improvement**. 176 questions from 6 dimensions.**
2	McKinsey Capacity Assessment Grid (2001)	Venture Philanthropy Partners & McKinsey	**7 elements of non-profit capacity**
3	Social Venture Partners Capacity Assessment Tools (2006)	SVP & McKinsey & Co.	A software tool with **10 assessment areas & 71 questions**

	Assessment Tool	Institution	Key Features
4	Core Capacity Assessment Tool	TCC Group	An online survey consisting of **146 questions focusing on 4 core areas.**
5	Marguerite Casey Foundation Capacity Assessment Tool (2008)	Marguerite Casey Foundation	Systematic assessment of the organisational capacity for community-based advocacy organisation.
6	Composite Capacity Assessment Tool (CCAT)	Robert F. Wagner Graduate School of Public Service, NY University	**67 questions divided across 9 capacity areas.**

McKinsey Capacity Assessment Grid (2001)

- **7 elements of non-profit capacity** :
  - Aspirations
  - Strategy
  - Organisational skills
  - System & Infrastructure
  - Human resources
  - Organisational structure
  - Culture
- 4 - level assessment

McKinsey Capacity Assessment Grid (2001)

McKinsey Capacity Assessment Grid	I. ASPIRATIONS	1 Clear need for increased capacity	2 Basic level of capacity in place	3 Moderate level of capacity in place	4 High level of capacity in place
	Mission	No written mission or limited expression of the organization's reason for existence; lacks clarity or specificity; either held by very few in organization or rarely referred to	Some expression of organization's reason for existence that reflects its values and purpose, but may lack clarity; held by only a few; lacks broad agreement or rarely referred to	Clear expression of organization's reason for existence which reflects its values and purpose; held by many within organization and often referred to	Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose; broadly held within organization and frequently referred to
	Vision – clarity	Little shared understanding of what organization aspires to become or achieve beyond the stated mission	Somewhat clear or specific under-standing of what organization aspires to become or achieve; lacks specificity or clarity; held by only a few; or "on the wall," but rarely used to direct actions or set priorities	Clear and specific understanding of what organization aspires to become or achieve; held by many within the organization and often used to direct actions and set priorities	Clear, specific, and compelling understanding of what organization aspires to become or achieve; broadly held within organization and consistently used to direct actions and set priorities

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- Most comprehensive set of questions
- Includes higher level elements of leadership, vision and mission
- Use 4-level rating scale with detailed description of activities that demonstrate capacity at each level

Core Capacity Assessment Tool
(TCC Group)

- Four Core Capacity Areas :
  - leadership
  - adaptability
  - management
  - technical capacities
- 5-point Scale

Core Capacity Assessment Tool
(TCC Group)

CCAT: Survey

INSTRUCTIONS: Please rate each of the following items on a scale of 1 (strongly disagree) to 5 (strongly agree). MARK ONLY ONE ANSWER PER ITEM, and base your response on your own perspective. If a question is not applicable to you or you do not know the answer, skip the question.	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
We would have to close our doors if one or two key funders stopped giving us money	1	2	3	4	5
Our organization's constituents/clients are actively recruited to provide input and feedback on how the organization should be run	1	2	3	4	5
All decisions made by organizational leaders are guided by program evaluation data, organizational assessment data, client/community needs assessments and the professional experiences of staff members	1	2	3	4	5
There are sub-groups of staff who socialize within their group to the exclusion of others	1	2	3	4	5
Our organizational chart and reporting lines are clear and up-to-date	1	2	3	4	5
We offer competitive employee benefits, such as health insurance and retirement plans	1	2	3	4	5
Organizational leaders are willing to make major changes if what they are currently doing is not working	1	2	3	4	5

Common Features of Different OAC Tools

- Though variations in the individual tools and the adopted approaches, most OCA processes are similar in the following:

  a) the **core compositions** and underlying **principles**

  b) focusing on **internal components** of the organisation

Common Features of Different OAC Tools

c) **Participatory approaches** in collecting capacity-related data – **cross functions and cross hierarchical**, e.g. Board members, Senior management, Volunteers, Staff, etc

d) **Self assessment** instead of being assessed

e) The tool as a **starting point**, while the exercise provides a platform for **organisational learning**

f) A **Collaborative Process** based on feedback and action research - facilitator and NGO work collaboratively to define the problem, analyse the data and develop possible solutions.

g) Successful completion requires **commitment and involvement** from all sectors of the organisation, especially senior management

h) The participating NGO takes full responsibility for implementing the solutions chosen.

On-going self-assessment is an integral part in remaining a healthy organisation.

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ExCEL3 OCA Project for NGO

- Co-organised by :
    - ExCEL3 and
    - Department of Social Work & Social Administration of HKU
- Objectives :
1) Promote efforts of Capacity Assessment and Capacity Building in NGOs
2) Provide hands-on support to 6 – 8 NGOs in conducting OCA
3) Develop a localised OCA tool for NGOs in Hong Kong

ExCEL3 OCA Tool

- Developed jointly by **ExCEL3 and Department of Social Work & Social Administration**, **University of HK**
- Process of development :
a) Literature review on different tools
b) Adopting the framework and methodology of CCAT (the Robert F. Wagner Graduate School of Public Service at New York University) which had gone through validation in US;
c) Modification based on local context
d) Pilot exercise
e) Feedback from different stakeholders

Pilot Experience

- Pilot with Good Rock Foundation in April 2013
- Experience was positive
- Tool was modified

9 Capacity Areas

Capacity Areas	Sub-areas
Governance & Leadership	Values, Vision & Mission, Board of Governor, Senior Management
Human Resource Management	HR plan, system and support, staffing, use of volunteers
Financial Management	Financial planning, budgeting, monitoring and fundraising
Organisational Planning	Strategic and operational planning
Innovation and Learning	Learning culture and opportunity
Program Management	Program design, coordination and monitoring
Quality & Performance Management	System and mechanism for organisation's overall quality, as well as output and outcome management
Partnership and External Relationship	Networking and alliances with different external parties
Use of Technology	The ability to make use of technology to improve delivery of services

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Composite Capacity Assessment Tool, Hong Kong Edition (CCATHK) Self-Assessment Survey

Organisation:

Position:

Individual Name (encoded):

Legend:

0 = Don't Know/Not Applicable
1 = Strongly Disagree
2 = Disagree
3 = Neutral
4 = Agree
5 = Strongly Agree

Directions: The following survey should be completed individually. Use the drop-down menu in Column D to respond to each statement. Refer to the legend for scale interpretation. This excel workbook is configured to calculate your score automatically. If you notice an error or have questions regarding this survey, please contact the CCATHK facilitator.

	A. Governance & Leadership	
1	Our organisation is guided by a written set of shared core values.	5
2	Our organisation has a clear mission and vision that reflects its values and purpose, and are frequently referred to to direct actions and set priorities.	3
3	Members of our organisation are able to clearly and concisely describe our organisation's vision, mission and values.	4
4	Our mission and vision are translated into a clear, bold set of goals that our organisation aims to achieve.	2
5	Our organisation has a clear strategy that is actionable and measurable, and linked to overall mission, vision and goals.	2
6	Our governing body reviews the mission statement regularly and modifies it when needed in order to reflect the needs of the people we serve.	4

Part I – Self Assessment

- To be conducted individually by Board members, Senior Management, Staff, Volunteers, etc
- 9 capacity areas, about 120 questions
- One hour for completion
- 5-point scale measurement
  - 1 – Strongly Disagree
  - 2 – Disagree
  - 3 – Neutral
  - 4 – Agree
  - 5 – Strongly Agree

- **Standardised Capacity Score**: using an index so that different capacities can be compared
- **Standardised Consensus Score**: the degree to which participants agree with one another concerning their assessment of a given capacity area.

Examples

Capacity Areas	Standardised Capacity Score	Standardised Consensus Score
Governance & Leadership	Above	High
HRM		
Financial Management	Below	Low
Organisational Planning		
Innovation & Learning		
Program Management	Acceptable	Moderate
Quality and Performance Management	Above	Low
Partnership & External Relationship	Below	High
Use of Technology		

Part II – Discussion Session

- Facilitator-led group discussion session
- 8 – 15 participants
- Cross-functional and Cross-level participation from the organisation
- 2 to 3 hours each session
- Supported by documentary review, or individual meeting in case of need

Part III – Organisational Report and Recommendation

- Organisation's Capacity Assessment Report
- Recommendation for improvement and follow up actions
- Organisation decides the priority of actions to be taken

Time Involvement

- Project starts from Oct 2013 till mid -2015
- Individual participating organisation will need to have at least 3 to 6 months involving in the project

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Target NGOs

1) 6 – 8 NGOs
2) Priority to small to medium size social service NGOs
3) Hong Kong based
4) Commitment to the process of OCA:

   a) dedication from organisational leaders

   b) cross function and cross hierarchical participation

   c) ready to take action for improvement after the OCA exercise

Expected Roles	
Participating NGOs	**HKU OCA Project Team**
Secure support from organisation leaders, provide resource and manpower support if necessary	Act as Facilitator for individual participating organisation
Open and honest communication with the OCA facilitator, providing necessary information through out the process	Conducts discussion group sessions and other meetings
Communicate with different levels of staff about the needs and the progress of the OCA	Facilitate a safe ground of sharing and learning for NGOs
Involve participation of different levels of staff and stakeholders	Provide OCA report with data analysis and recommendation to participating org.
To provide feedback and help Project Team to further improve the OCA tool	Keep confidentiality of organisational data
To share experience of OCA with other NGOs after the exercise	Conduct on-going evaluation on the project, and summarise the experience for future training and education
	Develop training material & publication from the project

Why join the Project ?

1. An opportunity to experience capacity assessment and to enhance your organisation's capacity

2. Free available OCA tool which is tailored for social service NGOs in HK

3. A joint effort to promote organisational capacity assessment and capacity building for NGOs in HK