

Capacity Building (CB)

Conceptual Framework for Organisational Capacity Assessment Project

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Conceptual framework

- Set of assumptions, concepts, values, and practices that constitutes a way of viewing reality
- Expression of complex process in a simplified and accessible way. Often done by grouping similar elements into categories
- Useful
 - Systematic way of thinking
 - Coherent approach
 - Helps communication with stakeholders

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1. What is Organisational Capacity Building (CB)?

- Wide variety of terms to describe the concept
- Capacity development, strengthening, enhancement, cultivation, etc.
- **Capacity building is the most commonly used phrase**
 - Some don't like this term because it implies a simple, mechanical process, done by outside 'builders'

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Conceptual Elasticity

- International NGO jargon
- **No internationally-accepted definition of capacity building**
- France CB about individuals and processes; U.S. CB about organisations and results (Sorgenfrei 2004)
- “Operational utility of the concept actually comes from its ambiguity and lack of boundaries” (Morgan, 2006:6)
- Not supported by accepted and tested body of theory and lacks academic rigour (Morgan, 2006)

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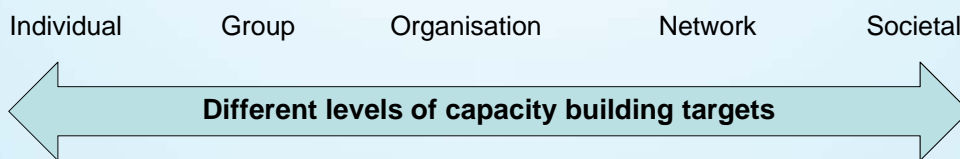
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Capacity Building for What?

- **Social/political purpose:** promoting societal and democratic change
- **Instrumental purpose:** improving project implementation, results, accountabilities
- **Organisational purpose:** improving organisation's sustainability, integrity, autonomy
- **Transformational purpose:** shifting relationships and power dynamics
- CB as **means** to an end, as a **process**, as an **end** in itself



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Emerging Consensus

- Recent emphases in management and organisational theory show emerging consensus
- **CB is about change** – making things better, adding value, developing new assets or talents
- **Conscious and holistic interventions designed to improve organisation's effectiveness and sustainability in relation to its mission and context**

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Emerging Consensus

- **Human process** of change based on values, emotions and beliefs: Complex, organic, living process. Importance of human development perspective (UNDP, 2006)
- **Internal process:** capacity development must grow from the inside, outsiders can only facilitate. Importance of main actor taking responsibility and ownership of change process. Cultivate capacity, rather than building it
- **Power dynamics:** political process
- **Unpredictable:** outcomes cannot evolve in linear fashion
- **Context specific:** influenced by culture and changing context

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2. What Is/Constitutes Organisational Capacity?

- **Capacity:** abstract term to describe wide range of **capabilities that NGOs need to be effective** and sustainable (*what is effective?*); capacity is multifaceted and continually evolving
- **Different forms:**
 - **Human capabilities:** skills, knowledge, experience, values and attitudes of individuals
 - **Relational capabilities:** share value or belief systems, networks of groups, sharing information
 - **Resource capabilities:** money, physical space, technology, time, knowledge

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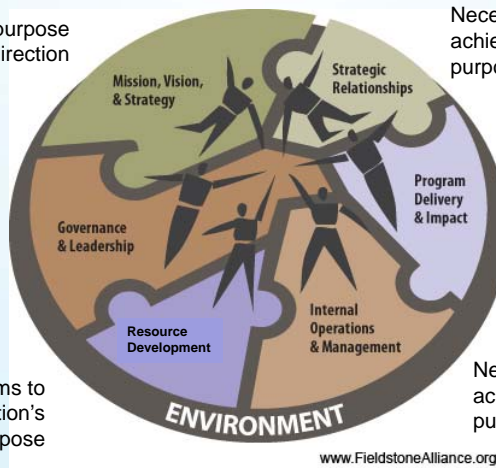


Six Components of Organisational Capacity

Driving forces that give purpose and direction

Lubricant that keeps all parts aligned and moving

Necessary mechanisms to achieve organisation's purpose



Necessary mechanisms to achieve organisation's purpose

Primary reason for organisation's existence

Necessary mechanisms to achieve organisation's purpose

www.FieldstoneAlliance.org

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Recent Emphases in Management Thinking

- Emphasis on strategic positioning and strategic planning which dominated management thinking in 1990s is replaced by an awareness of **importance of specific organisational capacities**: organisational values, collective knowledge or trust, personal behaviours
- **Centrality of values**
 - Non-economic values, empowering culture, values-driven change processes
 - Places values at the core of change – desire to align behaviour with values is what drives change
- **Spiritual dimension**
 - “Explosion of interest in spirituality as a new dimension of management. The present spiritual trend is probably the most significant trend in management since the 1950s” (Howard 2002: 230)
 - Spiritual faith can have an important influence on behaviour. Underpins values; source of hope and trust
- **Emotional intelligence**
 - Self-awareness, self-management, socially aware, diverse relationships

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Need to integrate 'hard' and 'soft' capacities

- 'Harder' systems side vs 'softer' human side
- CB often focus on management systems: financial systems, project management, accountability → treat organisation like a machine rather than organic and human (technical approach is easier to plan, control and fund)
- Cannot reduce CB to logical, mechanical process with timeframes based on project cycles rather than what pace of change is possible
- **Changes are needed at both a system and individual level**

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Capacity indicators

- Indicators describe in detail what each capacity area looks like

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 understanding 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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3. Some Organisational Frameworks

Moving from
A definition of organisational capacity
to
Its assessment
requires some ways of looking at NGOs

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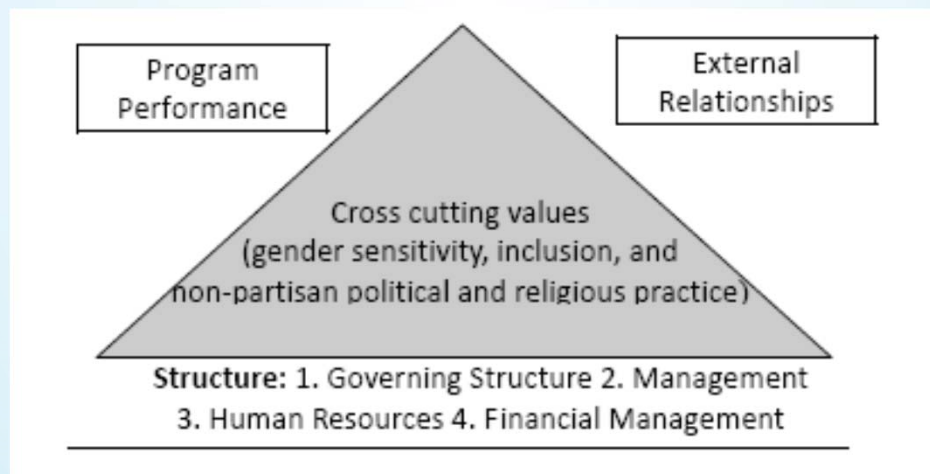
Framework 1: Triangle

- Organize the sets of indicators we have into a triangle with values at the core of the triangle and cross cutting different aspects of the organisation and equally important sides as follows:
- **1) Structure**, the largest of our components and the triangle's base, with sets of indicators for the following issues: governing structure, management processes, human resources and, financial management and resources
- **2) Program performance** (with sets of indicators for Program design and Planning, Implementation, Monitoring and Evaluation, Results Achieved)
- **3) External relationships** (Social and cultural environment, Partnerships with other NGOs and networks, Relationships with government authorities, Media, Private Sector, Donors)
- **4) Values** practiced / promoted (Core of triangle, cross cutting values)

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Source: Capacity Building for Poverty Reduction Project, *Assessment of Capacity Building Needs of NGOs in Lebanon*, March 2009

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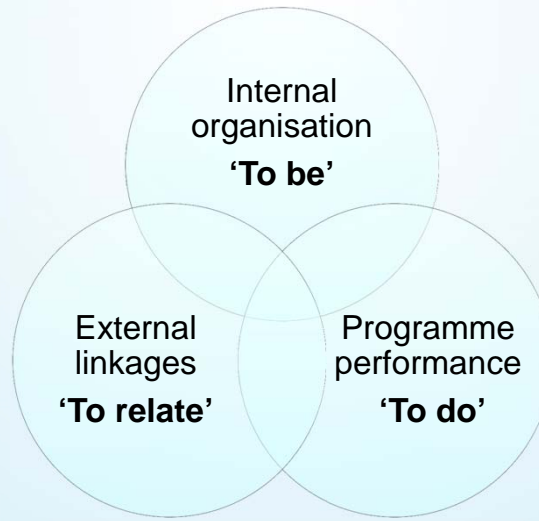
Framework 2: Three circles

- Breaks down the organisation into three key areas
- 1) “**Being**” relates to **internal organisational factors**
- 2) “**Doing**” relates to **performance**, in terms of impact at micro and macro levels
- 3) “**Relating**” concentrates on the nature of the relationships with **external actors**
- The whole organisation is placed within its wider **context**
- Overarching principle in the model is the **interlocking nature** of all three areas of organisational capacity
- Emphasizes the importance of seeing an organisation in terms of **what it does** and **who it relates to**, not just in terms of its internal life.

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Context



Source: INTRAC, 1993

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Framework 3: Pyramid

- The pyramid model is a slightly different way of looking at NGOs. Although still keeping the key areas of the first model, the **downward progression** from the top gives a **weighting** to the different components, unlike the previous models.
- According to this model, first principles for a healthy NGO would be to clear about its **identity and attitude** to the world, which in turn shapes its **vision of society** and its purpose in it, which in turn shapes its **strategies** to be adopted and the tasks to be carried out, which in turn defines the **structures and systems** that need to be in place and the staff to be employed, the **skills and abilities** they need and the whole is then supported by adequate **resourcing**.
- **Form follows function.** Phases do overlap and are repeated at different stages of an organisation's development.
- However, research from a Southern OD consultancy NGO has shown that there is a **sequence**, an order; that there needs to be a consistency or "fit" between each phase. *"intervention or work on any one of these elements will not prove effective unless sufficient work has been done on the preceding elements in the hierarchy...It does not help to train individuals when organisational vision is unclear, organisational culture is unhelpful and structure is confusing and obtuse.."* CDRA Annual report 1994-5

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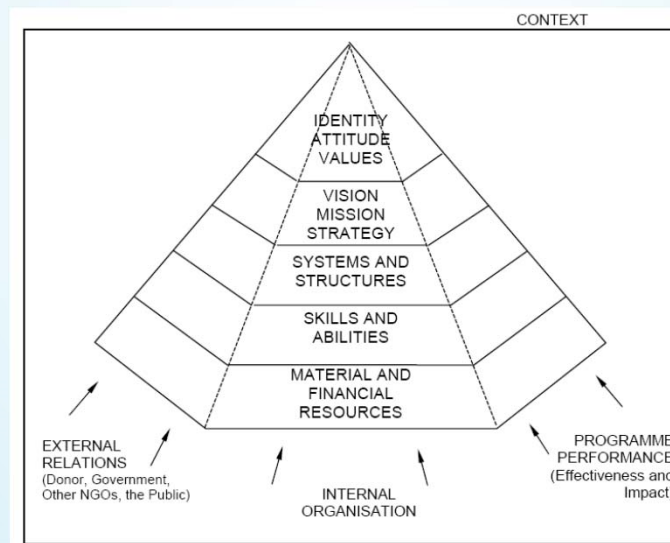


Fig. 2

Source: Alan Fowler with Liz Goold and Rick James, *Participatory Self Assessment of NGO Capacity*, INTRAC: Occasional Papers Series No: 10, December 1995

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Framework 4: UNDP Capacity Assessment Framework

- Three dimensions
 - 1) Points of entry
 - Enabling environment, Organisational, Individual
 - 2) Core issues
 - Institutional arrangements, leadership, knowledge, accountability
 - 3) Functional and technical capacities
 - Engage stakeholders, assess a situation and create a vision and mandate, formulate policies and strategies, budget manage and implement, evaluate

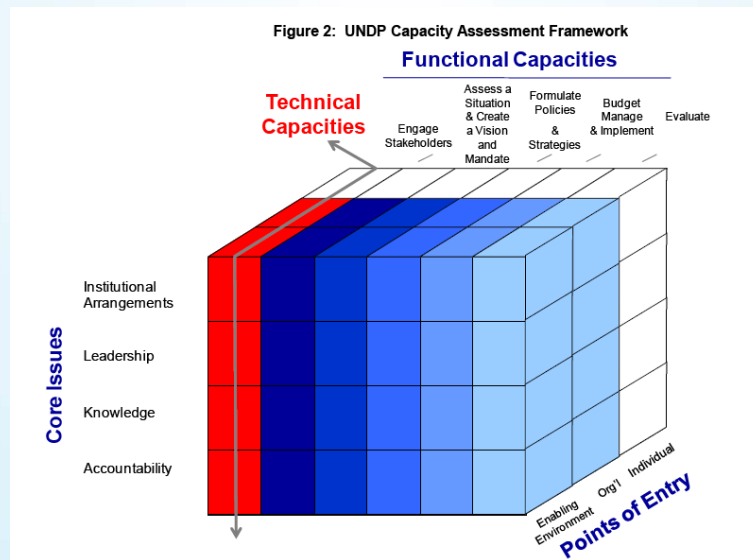
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Source: United Nations Development Programme, Capacity Assessment PRACTICE NOTE, October 2008

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Models are limited

- Models are reductionist by nature. For example, none of these models stress the importance of the **organisation's stage of growth in its lifecycle.**

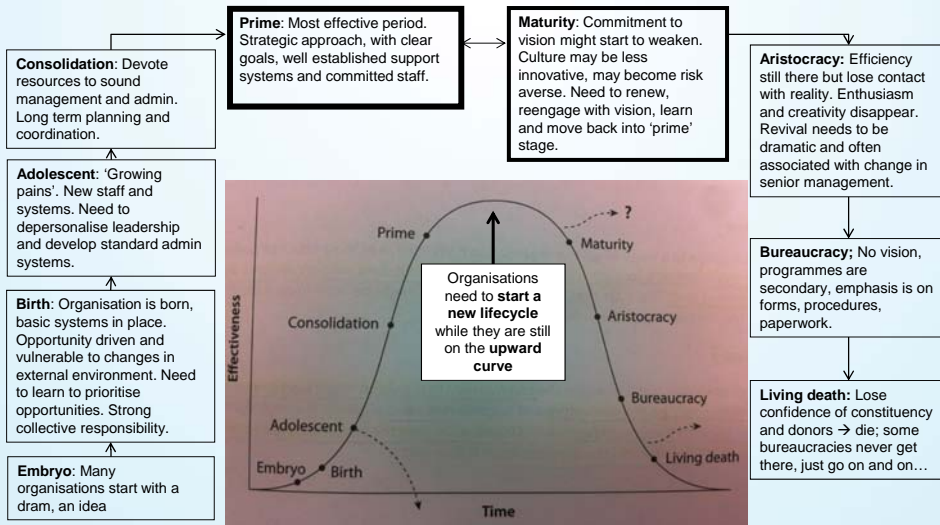
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Lifecycle of an organisation



Different stages of organisational maturity help us understand where an org is and set realistic goals about achievable changes

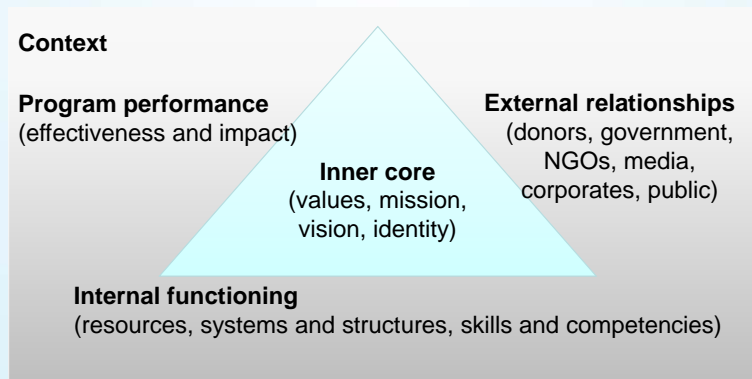
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4. Guiding framework for OCAP



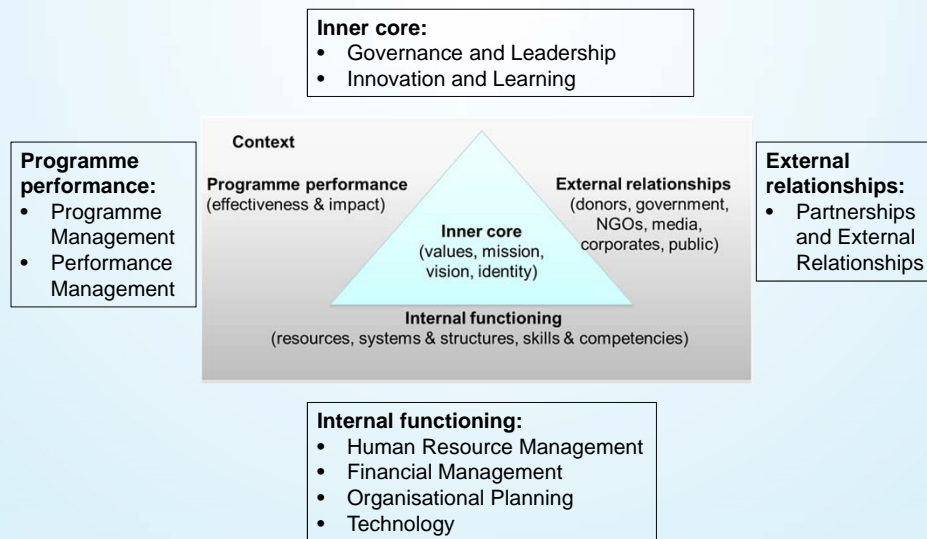
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Capacity Areas for OCAP



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Sustainable organisation

- Most resilient organisations have a **strong inner core** (vision, values, identity), **balance of key capacities** in the different organisational dimensions (programs, relationships, internal structure and functioning), and **continuous renewal and learning**

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Values

- “**Values** are the priorities and preferences of individuals and groups that **reflect what is important** to them. They are ‘**motivators**’, the ‘**engine rooms**’ for our actions and will direct and change our perception, affect our decision making and trigger our emotions. Values can also be expressed as **principles**, or standards of behaviour.” (INTRAC, 2008:39)

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Values and principles guiding OCAP: Process

- We aspire to engage in capacity building and organisational assessment which reflects the following:

Process:

- **Values-driven:** our approach is informed by set of values shared within our team and organisation
- **Participatory and client-centred:** we value client ownership and engagement, and start with the needs and characteristics of each organisation
- **Reflective** and informed by **research**
- **Contextually appropriate:** we are grounded in the specific context of Hong Kong nonprofit sector, yet informed by international trends
- **Adaptive:** we are prepared to adapt to different contexts and organisations
- **Practical:** we want to bring about real improvements in capacity
- **Time and cost effective**

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Values and principles guiding OCAP: Outcome and impact

Outcome and impact:

- **Relevant and appropriate:** we value addressing 'capacity gaps' and improvements against weaknesses, but also enabling your organisation to discover for itself how it might define and attain capacities that match its vision and mission
- **Non-deterministic:** we are open to unexpected results

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Values and Principles Guiding OCAP: Facilitator Role and Style

Facilitator role and style:

- We value a consultative style to the capacity building process, built on an atmosphere of trust, support, and client ownership. We value and respect your organisation's rich experience and do not claim to be "in the know", as we understand how such a perspective can defeat the core empowerment objective of capacity building/organisational assessment
- We value integrity as a key personal quality of our team members. This involves flexibility, humility, intuition, experience and good judgement

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