

Capacity Building for Organizational Effectiveness

Literature Review: The Journey of High Performance

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Introduction

The United Way of Calgary and Area (UWCA) seeks to improve lives and build extraordinary communities by engaging individuals and mobilizing collective action. Their promise is to create a city that is great for everyone. To this end, the United Way of Calgary and Area believes that investing in strong organizations and communities is one way in which they can create a better future.

Investment in strong organizations and communities is more than simply funding programs. In order to provide effective, high quality programs and services, organizations and communities themselves need to have strong core capacities that enable them to grow, develop knowledge and resources, and ultimately achieve their missions. Strong capacities do not just “happen” – rather, they are a combination of deliberate efforts in a range of critical areas. However, these critical areas can differ from organization to organization, community to community.

The following literature review explores this concept of capacity building. While building community capacities is equally as important, the focus of this review is specifically on the concept of capacity building for organizational effectiveness. Elements of capacity building will be explored, as well as success factors for successful capacity building. The review will also explore challenges raised in the literature to capacity building, and will offer recommendations to United Way in dealing with some of those challenges.

Why Capacity Building?

“Capacity building well done in the nonprofit sector, I believe, is a critical answer to the extraordinary uncertainty we face and also to the tremendous political pressure under which most non-profits are operating. Capacity building right now is arguably the most important investment the nonprofit sector can make.” (Paul Light)

The United Way of Calgary and Area has a long history supporting the development and overall capacity of non-profit organizations within Calgary. For more than a decade the organization has offered capacity building grants in a variety of areas, such as: evaluation, Human Resources (HR), leadership, and infrastructure support.

Certainly, capacity building has received growing attention over the past 20 years (Ontario Trillium Foundation, 2005). This enhanced interest in capacity building has occurred simultaneously with the shift in the voluntary and community sectors’ pool of available funding, increased expectation to do more with less, and overall public expectations of accountability. These changes within the sector have served to create challenges to organizational sustainability, which overall hinders the ability of non-profits to do work that has impact.

Paradoxically, funders have often failed to recognize and support the strong two-way relationship between program success and organizational strength and sustainability (The California Wellness Foundation, 2001). Often, non-profits have found it easier to secure funds for a specific project with tangible outcomes rather than find resources to develop themselves internally. However, if organizational capacity is weak, then programs and services are bound to suffer (TCC Group, 2010). In fact, there is good evidence to suggest that organizational capacity matters to achieving programmatic outcomes (Light & Hubbard, 2002). Fortunately, more and more funders are recognizing this critical link by developing capacity building grants to support their grantees.

What is Capacity Building?

Capacity building is perhaps one of the most fashionable, yet least understood term in the non-profit sector (Light & Hubbard, 2002). There is a lack of shared definition and understanding around its features and essential elements. Funders tend to talk about capacity building *programs*, while capacity builders might refer to capacity building *engagements*, yet organizations may refer to it as a set of activities or processes that accomplish a specific goal.

There have been many different definitions applied to capacity building. Some authors have referred to it as a vague term that describes a wide range of activities, knowledge, and resources that non-profits need to be effective, while others have focused on defining the process of capacity building (Connolly & Lukas, 2002; Light & Hubbard, 2002). Throughout the literature there seems to be two definitions more commonly cited than others. The first is from McPhee & Bare who define it as *“the ability of non-profit organizations to fulfil their missions in an effective manner”* (2001: p 1). Connolly & Lukas define it as *“a wide range of capabilities, knowledge and resources that non-profits need in order to be effective.”* (2002: p 17). In reviewing definitions, there are also those that encompass notions of capacity that extend beyond organizations. Capacity can also be built at the individual and community level, and therefore definitions need to include these concepts. The United Nations suggests that capacity building can be defined as:

“...the process by which individuals, groups, organizations, and communities increase their abilities to: (1) perform core functions, solve problems, define and achieve objectives; and (2) understand and deal with their development needs in a broad context and in a sustainable manner.” (United Nations Development Programme, Management Development and Governance Division, 1998).

It is evident that there is a lack of agreement within the field of capacity building as to what exactly it is. This lack of shared understanding around capacity building elements and features can be enhanced through a greater focus of where capacity building efforts are directed – individuals, organizations, geographical or interest communities, or the

non-profit sector as a whole (Light & Hubbard, 2002). For the purposes of this report, exploration of elements and features will focus on capacity building that is directed towards organizations.

Capacity Building for Organizational Effectiveness

In a 2002 overview of capacity building efforts within the United States, findings showed that the majority of work commonly referred to as “capacity building” was focused at the organizational level (Light & Hubbard, 2002). Organizational capacity building seeks to strengthen the ability of an organization or agency to achieve a desired outcome. Capacity building in this area can be defined as: *“Supporting organizations to build and maintain the skills, infrastructure, and resources to achieve their mission.”*(United Way of Calgary and Area, 2011)

In order to effectively support organizations to achieve the above, understanding of the features and elements of organizational effectiveness is necessary. Too often, funders, capacity builders, and organizations are focused on the *process* of capacity building as opposed to the *outcome* of capacity building. Enhanced understanding of the components of organizational effectiveness can support capacity building efforts to be effective and targeted.

Elements of Organizational Effectiveness

There has been a tremendous amount of interest over the past decade in building capacity for organizational effectiveness. Leading thinkers in this area have developed many different lenses for understanding the topic, such as:

- Components such as aspirations, strategy, organizational skills, HR, systems and infrastructures, organizational structure and culture (Venture Philanthropy Partners, 2001)
- Aspects of organizational life (e.g., external relations, internal structures, leadership, and management) (Light & Hubbard, 2002).
- Pillars of organizational capacity, such as relevance, responsiveness, effectiveness, and resilience (Ontario Trillium Foundation, 2005).

Many frameworks are comprised of similar organizational elements, with the main differences between them being how they are grouped into components (Raymond, 2010). In a review of the literature, there seems to be a trend in recent studies utilizing the capacity building framework proposed by Connelly and York (LBJ School of Public Affairs & Bush School of Government and Public Services, 2006; PricewaterhouseCooper Canada Foundation, 2011; Raymond, 2010). This framework for understanding organizational capacities consists of four key areas: leadership capacity, management capacity, technical capacity, and adaptive capacity (Connolly & York, 2003). Within each of these areas are specific sub-components that organizations need to focus on in order

to be truly effective (TCC Group, 2010). These components are comprehensive, and cover all various aspects of capacity found in the literature.

Leadership Capacity

Leadership capacity is the ability of all organizational leaders to create and sustain the vision, inspire, model, prioritize, make decisions, provide direction, and innovate, all in an effort to achieve the organizational mission (York, 2005). This includes areas such as:

- **Governance** – The overall processes and structures used by the board to direct and manage an organization’s operations and activities (Panel on Accountability and Governance in the Nonprofit Sector, 1999).
- **Internal Leadership** – This refers to those organizational leaders outside of the board and their ability to apply a mission-centered, focused, and inclusive approach to making decisions and motivating people to act on those decisions (TCC Group, 2010).
- **Sustainability** – This is the organization’s ability to cultivate organizational leaders, avoid over-relying on one leader, and plan for leadership transition (TCC Group, 2010).

Management Capacity

Management capacity is the ability of an organization to ensure the effective and efficient use of organizational resources. Essentially, this means an organization’s capacity to serve more constituents more effectively (TCC Group, 2010). Included here are areas such as:

- **Human Resources** – This area includes all areas related to staff management, such as assessment of staff performance, managing performance expectations, program staffing, staff development, salary, and benefit administration and relevant policies and procedures (HR Council for the Voluntary and Non-Profit Sector, 2009).
 - An important component of Human Resources is the area of *Volunteer Management*. This refers to the capacity of the organization to recruit, train, retain and reward volunteers (TCC Group, 2010). For many non-profit organizations, this is a critical component of their overall human resource strategy.
- **Financial Management** – The ability to manage and deploy organizational revenues and assets to ensure efficient operations (Stowe & Barr, 2005).

Technical Capacity

This refers to whether the organization has the skills, tools, and facilities to deliver its programs and manage its operations. Specific areas of focus include:

- **Program Design and Evaluation** – The ability to design and implement an effective evaluation (TCC Group, 2010). This refers to the technical skills of developing a proper design for the program and a relevant program logic model or other evaluation tool that can measure the effectiveness of programming. This is different than utilizing the results of the evaluation for ongoing learning and improvement. The concept of evaluation, whether programmatic or organizational, for ongoing learning is a separate area of capacity found below.
- **Fundraising skills:** The ability to procure the financial and in kind resources necessary for efficient operations (TCC Group, 2010).
- **Marketing skills:** The capacity to communicate effectively with both internal and external stakeholders (TCC Group, 2010).
- **Technology:** Having the necessary resources (i.e., equipment, systems, software, etc.) needed to efficiently operate the organization (TCC Group, 2010).
- **Technology skills:** The ability to run efficient operations (TCC Group, 2010).

Adaptive capacity

This refers to the ability of an organization to monitor, assess, respond to and create internal and external changes. The concept of a “learning organization” is captured in this area of organizational capacity.

- **Environmental learning** – The ability to learn about what is happening in the local community as well as staying current with what is going on in the field through networking with community leaders and funders (York, 2005).
- **Programmatic learning** – The ability to assess the needs of clients, and use the results of program evaluation as a learning tool in enhancing program delivery (TCC Group, 2010). This is different than the technical skill of program evaluation above, as programmatic learning refers to the ability of the organization to make use of the results to improve performance and service delivery.
- **Organizational learning** – The capability to carry out self-assessments, utilize the findings to carry out and follow through on strategic plans (TCC Group, 2010).

Success Factors for Effective Capacity Building

Regardless of which area and specific component of capacity is addressed, there are a number of key success factors that need to be considered in order to effectively build capacity for organizational effectiveness.

- **Timely:** Capacity building activities are taken at an appropriate pace, neither too slowly nor too quickly (Ontario Trillium Foundation, 2005). This measured pace allows for momentum, while still ensuring that the lessons learned are embedded within the organization.
- **Peer-connected:** Successful capacity building efforts include opportunities for peer-to-peer networking, mentoring, and information sharing (Ontario Trillium Foundation, 2005). Peer-connection is especially important when considering board development and succession planning activities. In fact, when done well, peer exchanges help individuals share knowledge, skills, resources and tools, as well as serve “as a ‘coaching’ group to help participants become more ‘motivated’ to change”(TCC Group, 2010, p. 50).
- **Assessment-based:** This entails a thorough assessment of the needs and assets of the organization and its community (Ontario Trillium Foundation, 2005). Conducting assessments can support an organization to pinpoint their current status and goals for growth. Results can then help in the planning of priorities and measures for progress (Create the Future.com, 2011)¹.
- **Customized:** Available research suggests that more tailored and in-depth services are viewed more favourably than access to one-off workshops that fail to connect learning to sustainability after the workshop ends (TCC Group, 2010). This will be explored further through the concept of “competence-based”.
- **Comprehensive:** This ties in with the above notion of ‘customized’, meaning that activities need to result in momentum that can continue once an individual(s) returns to their organization, incorporate or offer follow-up activities to continue the learning, and provide tools and resources (Ontario Trillium Foundation, 2005; TCC Group, 2010).
- **Competence-Based:** Capacity building services need to be offered by well-trained providers that offer well-established best practices in the field of non-profit capacity building (Ontario Trillium Foundation, 2005; TCC Group, 2010). Some examples of this include:
 - Offering coaching and peer exchange opportunities, particularly in the area of board development, succession planning, and leadership development
 - Workshops that are more tailored and targeted, greater in frequency and aimed at different levels of proficiencies
 - Offering implementation support, such as on-going technical assistance and check-ins

¹ Retrieved August 30th 2011 from [http:// www.createthefuture.com/Capacity_Building.htm](http://www.createthefuture.com/Capacity_Building.htm)

It is interesting to note that for some organizations, capacity building does not necessarily require outside support or assistance, commonly referred to as self-directed capacity building (Light & Hubbard, 2002; TCC Group, 2010). This would include professional development opportunities that the organization offers in-house, engaging the pro-bono support of stakeholders (including board members in non-board roles), and informal mentoring activities. Strategic planning seems to be one area of capacity where organizations tend to self-direct, engaging in the planning process without the help of outside support or assistance (Light & Hubbard, 2002). However, there is research to suggest that:

“Intentional and formal capacity building conducted by non-profits on their own (without engaging outsiders) is not typically as impactful as similar capacity building efforts facilitated by outsiders” (TCC Group, 2010, p. 52.).

There are many reasons why this could be the case. Outsiders may bring an objective perspective and assessment to the activities at hand, and may have specific and in-depth content knowledge of a particular area. While there are many exceptions to the above research finding, it is worth noting and perhaps exploring further as the field of capacity building grows in importance over the next decade.

While the aforementioned factors are important to success, the literature identifies champions, culture, and readiness as three in particular that warrant greater attention and explanation.

- **Champions (Light & Hubbard, 2002):** All capacity building activities require the identification and involvement of influential champions who are engaged in guiding the efforts to implement the change strategies (Light & Hubbard, 2002). These champions can be either internal staff or members of the board who help drive the change forward. These individuals need to have the capacity initiative at the top of their agenda, be planning the overall approach, driving the implementation timetable, and promoting it to everyone affected (TCC Group, 2010). One of the biggest reasons why capacity building change efforts often fail is that it lacks a champion with the skills, time, and resources to make the initiative a success. Change efforts need senior people who have the time and resources available to them to “own” the capacity building initiative and ensure the change is driven within the organization (McKinsey & Company, 2001).
- **Culture**
As stated by Venture Philanthropy Partners (2001), “culture runs like an invisible thread through the entire subject of capacity building” (p. 63). Any capacity building effort must take into account the current organizational culture. However, this is easier said than done.

Culture is significantly more important in the world of non-profits than in for profit businesses, as it is often the glue that holds the organization together. This importance makes it especially difficult to change. Any capacity building activity must not only be effective in the existing culture, it must also be designed to bring about changes to the organizational culture (Raymond, 2010).

Venture Philanthropy Partners (2001) differentiate between aspects of an organizations culture. An organizations core values, beliefs and behaviour norms are different than its performance orientation or “performance culture” (Venture Philanthropy Partners, 2001, p. 63). Organizations that have a culture where performance is highly valued (i.e., strong performance culture) are more likely to be successful in their capacity building efforts (Letts et al, 1999). However, building this type of culture requires not only a substantial commitment in time and resources, but also a strategic and intellectual approach in order for it to be successful (Venture Philanthropy Partners, 2001).

- **Readiness**

The concept of readiness can be vague, but its importance to successful capacity building cannot be ignored (Ontario Trillium Foundation, 2005). Organizational readiness to undertake capacity building efforts affects the implementation of successful strategies (Blumenthal, 2003). While the initial challenge is enticing organizations to undertake capacity building work, this is only successful if the motivation to do so is present. The literature does suggest some indicators of readiness, such as: openness to learning and change, organizational stability, and absence of crises, as well as availability of necessary resources and leadership (Raymond, 2010).

The research also demonstrates that organizations themselves know best what they need to build capacity (Ontario Trillium Foundation, 2005). Funders can help prepare organizations to take on capacity building work by funding organizational reviews, or organizational skills assessments. Activities such as these can help to prepare an organization to undertake more comprehensive and targeted development work.

Challenges to Capacity Building

The literature in this area raises several challenges to capacity building activities targeted at building organizational effectiveness. These challenges stem from the lack of clear understanding around capacity building, little attention or effort to the framing of capacity building initiatives, lack of appropriate support for effective activities, and mixed evidence supporting capacity building outcomes.

Definitions and Understanding

The literature is clear – there is little common understanding around the concept of capacity building. Definitions are varied, and while they share common elements, emphasis on those elements varies (Raymond, 2010). It appears that capacity building is one of those terms that, while generally understood, can vary considerably in its application (The California Wellness Foundation, 2001). In a 2006 study commissioned by the United Way Capital Area, researchers found that non-profits, funders, and capacity-building providers themselves offered divergent descriptions, or reported outright unfamiliarity with the term. If capacity builders themselves are unfamiliar with the term, how can they truly be effective in providing high quality services? If funders do not understand where they are directing their funds for improvement, how can they be satisfied with the resultant outcomes? If non-profits do not understand the activities they are engaged in, how can they build and sustain their effectiveness?

Models of Capacity Building

An additional challenge posed in the literature points to the limited availability of appropriate frameworks and models to properly understand and frame capacity building activities (Raymond, 2010). While there seems to be agreement that capacity building encompasses many components, there is no consensus on what these components are.

Models and frameworks for capacity building can help clarify goals and objectives. Without an appropriate structure, capacity building activities can seem disconnected and piecemeal (Doherty & Mayer, 2003). This can certainly impact funders, as they may view their investments in capacity building as yielding poor outcomes. The need for shared models impacts not only funders, but non-profits as well (Venture Philanthropy Partners, 2001). When it comes to non-profit capacity building, organizations do not have access to any kind of shared model or framework that is applicable across the sector.

Appropriate Support

First, despite that there appears to be ample capacity building resources available for non-profits, there is evidence to suggest that some in the sector may still be unable to access these resources due to many capacity builder's unfamiliarity with the challenges that non-profits face (LBJ School of Public Affairs & Bush School of Government and Public Services, 2006). Capacity builders may provide services of mixed quality, or offer services that focus primarily on one or two areas of capacity (Connolly & York, 2003). Capacity building providers need to closely examine not only the quantity of their offerings, but their quality as well. In a 2010 study of more than 260 non-profits in the Los Angeles area, most respondents did not report a high level of satisfaction with the capacity building services they had received, and only one in three would refer their consultant to someone else (TCC Group, 2010). Capacity builders need to have the right

mix between enough field expertise (e.g., knowledge of the non-profit sector and its challenges) and content expertise (e.g., fund development).

Throughout the literature, funders were often cited as being both the biggest supporters and roadblocks to effectively building capacity within the non-profit sector (Connolly & York, 2003; Ontario Trillium Foundation, 2005; Raymond, 2010; Venture Philanthropy Partners, 2001). Funders pose a significant challenge to building and sustaining highly effective organizations, as donors and funders have traditionally been more interested in funding an exciting new idea than in building an organization that can carry out the idea (Venture Philanthropy Partners, 2001). However, this way of thinking is slowly changing and funders are realizing that great programs need great organizations behind them. There have been many funders, United Way of Calgary and Area included, that have made concerted efforts to build capacity with their grantees. However, these efforts have typically been targeted in one area of capacity (e.g., HR, leadership, evaluation, etc.).

The literature would also suggest that capacity building is often done with the unrealistic expectation that it can be done with little time or effort (Doherty & Mayer, 2003; Raymond, 2010). In a recent study done by PricewaterhouseCoopers Canada Foundation (2011), they suggest that an investment of three to five years needs to be in place before meaningful improvements can be achieved. Considering that most investment cycles run on a one to three year renewal cycle, this lengthy investment may not be feasible for most funders to consider making.

Determining Effectiveness

The ability to determine the impact of capacity building efforts has been an elusive task. In some cases, the impacts of the activities are apparent (e.g., technology to support financial management activities). In most cases, however, it is very difficult to attribute organizational impact to capacity building efforts (Venture Philanthropy Partners, 2001).

There is some evidence to suggest that successful outcomes of capacity building are contingent upon where the activities are directed. Generally, capacity building efforts have tended to focus on technical training, such as strategic planning and financial management, under the assumption that this will improve organizational effectiveness (Ebrahim, 2004). There are mixed findings to support this assertion. In a 2002 study of Detroit food pantries and soup kitchens, it was found that many capacity activities (for example, strategic planning and technical assistance) actually had little or no correlation to organizational effectiveness (Eisinger, 2002). In a 2010 study of the Compassion Capital Fund (CCF) done by Abt Associates on behalf of the Administration for Children and Families, US Department of Health and Human Services, findings from capacity

building were promising (Abt Associates, 2010). Non-profits receiving training, technical, and financial assistance from CCF experienced significantly higher levels of growth².

Assessing effectiveness is difficult, as capacity building is more than simply participating in workshops or hiring consultants to engage in strategic planning (Doherty & Mayer, 2003). It is about implementing the learning from those activities that will strengthen an organization. The skills and systems must be implemented into day-to-day operations so that they become part of the organization's culture. Considering that the concept of effectiveness is multidimensional, there may never be the ability to attribute capacity building directly with increased social impact (Renz, 2010; Venture Philanthropy Partners, 2001).

Recommendations

Taking all the above into consideration, there are a number of recommendations that can be made to address the challenges of capacity building, as well as those that can support success factors. United Way of Calgary and Area is uniquely positioned to pursue these recommendations, specifically:

1. *Its long history supporting capacity in a variety of areas* – Not only has UWCA been providing grants in the area of capacity, it is a leader in developing evaluation capacity within the sector. This provides the organization with the credibility required to engage others in supporting this work.
2. *Its ongoing learning and growth in regards to capacity building* – UWCA has been intentional about its continuous learning and growth in this area. Innovation has been encouraged, and from this important lessons have been learned.
3. *Dedicated resources specifically targeted to this area* – While financial resources are essential to any capacity building endeavour, it is important to recognize the human resources available to the organization to support further thinking in this area. Knowledgeable and dedicated staff available for this work cannot be underestimated.

Based on the above strengths, the following areas are recommended for UWCA to pursue.

Recommendation #1: Adopt a definition

Considering that the literature consistently points out the lack of shared definition as a challenge to capacity building efforts, it is recommended that United Way of Calgary and Area adopt a definition to support its capacity building strategies. As research from the California Wellness Foundation (2001) indicates that even funder's own staff can vary in their interpretations of capacity building, it will be necessary to ensure that

² This finding was based on assessing each of the 5 domains when the contributions of all the measures for the domain were considered together (Abt Associates, 2010).

UWCA staff be clear at the outset about the definition, purpose and goals for capacity building. This will ensure clear and consistent communication among staff and other interested parties.

It is recommended that UWCA adopt a definition that is broader than simply capacity building for organizational effectiveness, but rather is inclusive of community capacity building concepts. As UWCA engages in both types of capacity building activities, a definition needs to be in place that supports both streams. The definition provided earlier in the document by the United Nations Development Program combines concepts of both organizational and community capacity building.

Furthermore, because UWCA has long been a supporter of capacity building within the human services sector, it is further recommended that they work with other funders interested in capacity building to build a shared language in facilitating dialogue in the area. This will support greater coordination across the sector in terms of capacity building efforts. Again, as there are other funders that support both organizational and community capacity building, adopting a definition that includes both concepts will allow for greater traction in coordination.

Recommendation #2: Adopt a model for capacity building

While the literature has pointed out that development of capacity building models are in its initial stages (Raymond, 2010), there are still preliminary models that exist. Utilizing a model for capacity building will detract from “piece-meal” investments and will support strategic thinking in this area. Ultimately, capacity building is a means to an end and UWCA needs to ask itself: what is the end goal? Utilizing a model of capacity building will support understanding as to what capacity building grants are intended to achieve.

Based on the current review of literature in this area, it is recommended that UWCA adopt the capacity building model proposed by Connolly & York (2003). The proposed four areas of organizational capacity (i.e., adaptive, leadership, management and technical) have been further validated by research conducted by the TCC Group (TCC Group, 2010). They have broken down each area into its sub-components, and definitions for each have been provided.

As UWCA is a leader in the area of capacity building, it is further recommended that they engage with other supporters of capacity building in adoption of this model. Again, these efforts will enhance coordination with other funders in the sector.

Recommendation #3: Invest in appropriate support

While UWCA has generally supported investment practices that provide organizations with the time and flexibility needed to engage in capacity building activities, the landscape of resources available to organizations is somewhat less appropriate. It is

recommended that UWCA catalogue those individuals and organizations with the field and content expertise necessary to support the sector in capacity building activities.

Specifically, UWCA should itself assess (or support its grantees to assess) the quality of capacity building support being received. Based on research by Connolly & York (2003), the following are just some recommendations as to what to look for:

One-on-One with Consultants

- Clear criteria that assesses the success of the capacity building engagement.
- Staff are provided with skills that will help them sustain the capacity building efforts when the engagement is completed.
- Evidence of field and content expertise.
- Ability to work in different organizational cultures.
- Ability to assess readiness.

Training and Workshops

- Facilitators have extensive capacity building experience in the chosen area.
- Existence of formal curriculum and associated materials to help participants apply the principles being taught.
- Adult learning principles are incorporated into the training.
- Time for peer sharing and networking is incorporated.
- Access to resources for further related learning opportunities.
- Provision of tools that participants can implement in their organizations.
- More than a one-time session if possible.

Peer Exchanges and Coaching

This type of capacity building activity is most appropriate when developing leadership capacities, especially with executive directors and with the board (TCC Group, 2010). For effective peer support, elements that should be included are:

- Facilitation by an experienced group facilitator.
- Planned and facilitated round table discussions, case study groups or learning circles.
- Engagement with the same group of motivated individuals, with the same facilitator, on an ongoing basis.
- Participants engaged as both teachers and learners.
- Opportunities for participants to assess the process.
- Time for informal sharing and networking.

Coaching activities should include:

- Weekly, bi-weekly or monthly calls or visits that last 30 to 60 minutes.
- Identification of leadership strengths and weaknesses.
- Development of goals, objectives, and strategies for addressing identified strengths and weaknesses.

- Occasional opportunities for homework.

Capacity Building Organizations

Not all capacity building providers are created equal – the reality is that there is a real spectrum of what is offered and the quality of the offering. It is recommended that UWCA ensure that the capacity builders they fund offer high quality services. This includes elements such as:

- Ability to assess readiness.
- Ensuring that their capacity builders offer coaching and ongoing technical assistance to non-profits as they implement and act on what they have learned through the services they provided.
- Offer their funded capacity builders opportunities to build their own skills through forums, trainings, and networking opportunities.
- Hold capacity builders accountable for the effectiveness and impact of their services.

In regards to capacity building organizations, they too need to engage in the same capacity building practices that they recommend to their clients. UWCA can ensure these organizations are engaging in such practices as:

- Formally evaluating the quality and impact of their services.
- Conducting needs assessments so their services are reflective of community needs.
- Conducting customer satisfaction surveys.
- Maintaining the skills and staff needed to support the development, management and use of their knowledge base.

In all cases, UWCA can support organizations to become better-informed consumers of capacity building services. They can provide grant recipients with information regarding capacity building best and promising practices as well as effective ways of working with consultants and capacity building organizations.

Recommendation #4: Assess pre-conditions necessary to undertake capacity building

While the literature suggests a number of factors that are critical to the success of effective capacity building activities, there are several which require targeted attention. UWCA should ensure that organizations are at the point of readiness to undertake capacity building. There are a number of readiness assessment tools available that can support organizations in identifying capacity building strengths and challenges, as well as helping them identify capacity building goals (See Appendix A for a listing of readiness assessment tools). Based on a review of the literature, it is recommended that any organizational assessment tool adopted by UWCA should support organizations in identifying, assessing, and prioritizing their capacity building needs and goals.

Furthermore, attention must be paid to the culture of the organization in order to ensure that capacity building activities will be effective. Often, this is a factor that is overlooked or minimized. UWCA can help its organizations be successful in capacity building efforts by supporting them to consider their culture as an influence to their work.

Recommendation #5: Ensure capacity building efforts are evaluated

As the literature identified, attributing increased social impact as a result of capacity building efforts is difficult. However, while difficult, it is still necessary. UWCA should ensure that organizations understand that the purpose is to assess progress in order to determine ongoing needs and focus resources, and to relate evaluation results not only to specific programs but to their overall organizational development. Furthermore, it is recommended that the evaluation collects information in the most efficient and least burdensome method as possible. Finally, evaluation should be used to support organizations to learn from their evaluation data.

UWCA should use their capacity building model to help them evaluate their own capacity building investments in a holistic way, as opposed to focusing on individual investments. Utilizing data in this way will provide the organization with its own learning around its capacity building investments.

Conclusion

Capacity building for organizational effectiveness involves a number of resources, including money, time and the energy to see it through. All capacity building involves change – what to change, how to change, and incorporating those changes into the daily routine of organizational life.

Almost everything about capacity building requires patience. Regardless of how well designed the capacity building activity may be, this kind of work can be longer and more complicated than expected. Building capacity can seem never-ending, as change in one area often impacts others, thereby requiring further change. There are few quick fixes when it comes to capacity building for organizational effectiveness. As more funders and non-profits move into this area, the ability to be patient and steadfast in capacity building efforts may be the greatest success factor of them all. With this understanding in place, United Way of Calgary and Area is poised to support not only itself, but others in the sector through this journey of high performance.

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Appendix A: Readiness Assessment Tools

Drucker Foundation Self-Assessment Tool

Self-assessment process that supports non-profits to clarify mission statements, defines results, set goals and developed focused plans.

<http://www.leadertoleader.org/tools/sat/index.html>

Innovation Network Organizational Assessment Tool

A self-assessment survey and reporting tool that provides nonprofit leaders and stakeholders with a snapshot of organizational strengths and areas for improvement.

http://www.innonet.org/index.php?section_id=64&content_id=185

Marguerite Casey Foundation Organizational Capacity Assessment Tool

A self-assessment instrument that helps non-profits identify capacity strengths and challenges, as well as establishing capacity building goals.

http://www.caseygrants.org/pages/resources/resources_downloadassessment.asp

Organizational Self-Assessment Matrix

Self-assessment developed by Paul Connolly and Laura Colin Klein (1997). It determines where an organization is in its life cycle, and areas that could benefit from capacity building.

<http://www.councilofnon-profits.org/sites/default/files/Organizational%20Self-Assessment%20Capacity%20Building%20Tool.pdf>

TCC Group Capacity Building Self-Assessment Tool

The TCC Group has developed a Capacity Building Self-Assessment tool that non-profits can use to assess and prioritize their capacity building needs. The tool is also useful in the analysis of what type of capacity building would yield the most impact at your non-profits' current stage of development.

<http://www.tcccat.com/>