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Capacity Building for Organizational Accomplishment: Lessons from a Network of Nonprofit Organizations

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Capacity Building for Organizational Accomplishment: Lessons from a Network of Nonprofit Organizations

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Abstract: Organizational capacity is based upon internal relationships which exist within an organization with the goal of enhancing structure through the talents and competencies of its people. Although at times used by profit organizations as a means to strengthen company performance and assist with strategic planning, the use of capitalizing on the value of organizational capacity in nonprofits has been largely ignored. A study was undertaken to capture the essence of capacity building specifically for nonprofits. An appreciative inquiry process was utilized with favorable results toward assisting an organization to accomplish its mission of serving stakeholders effectively by building on the collaborative strengths, talents and skills of its human resources.

INTRODUCTION

The most basic challenge for nonprofit organizations is to continually improve their capacity and capabilities for mission attainment. For guidance, these types of organizations can look to the general management and organizational literature, such organizational learning (Senge 1990) or strategic management (Bryson 1995). At times, these concepts can be called into question. Strategic management, in particular, is the subject of much critique, chiefly as represented in the writings of Henry Mintzberg (1994, 2004), with alternative views of organizational adaptation and improvement being bottom-up strategy development (Mintzberg & McHugh 1985; Burgelman 1983), evolution that achieves reliability and accountability (Hannan and Freeman 1984), and processes that emphasize organizational competencies and continuity in change (Salipante and Golden-Biddle 1995). Nonprofits should build their capacities based upon concepts that are realistic, practical and appropriate for their distinctive nature and purpose.

Fortunately, there is a knowledge base for organizational improvement that is being created through practice and study firmly grounded in nonprofit experience. For the last 15 years the field of nonprofit development, populated by nongovernmental organizations (NGOs), has been attending explicitly to the development of organizational capacity (Korten 1990; Muchunguzi & Milne 1997; Fisher 1998; Brinkerhoff 1999; Offenhesier, Holcombe and Hopkins 1999). Very practical efforts have been made by nonprofit organizations to identify important capacities and to engage in processes, such as Appreciative Inquiry (AI) and sense-making, for capacity-building (Srivastva & Cooperrider 1990; Weick 1997; Cooperrider et al. 2004; Barrett & Fry 2005). Scholarly literature has recently begun to examine the efficacy of these processes (Cameron et al. 2003, Roberts 2006; Fineman 2006). This study proposes a relational process of building an organization's future. In this paper, our relational capacity building framework introduces definitions, insights and guidelines that help organizations create capacity at different levels: organizational, multi-organizational and global. The original study is available for those interested in reviewing the results of the defined core capabilities at each level. This framework helps nonprofit organizations to clearly understand their value base, direction, mission and capabilities to build capacity.

This writing will present the Relational Capacity Building Framework that has resulted from examination of literature; over 100 interviews in the field with members from six North American based nonprofits familiar with capacity building efforts and a meta-ethnography analysis of six published case

studies in organizational capacity building. A meta-ethnography is the detail synthesis of interpretive research based on published qualitative field studies (Noblit & Hare 1988). These synthetic analyses were then combined with fieldwork to produce revised definitions of terms and to generate propositions and an overarching relational theory framework that is both strategic and operational in nature for nonprofits involved in capacity building efforts. Results of the interviews and meta-ethnography, including the emergent model, were shared with the organizations interviewed, funding agencies and with other practitioners in the field to refine it and gauge its utility.

The Relational Capacity Building Framework is supported by four propositions that resulted from the study as follows:

Proposition 1: Capacity-building is a **multi-faceted process** at three distinct levels -- organizational, multi-organizational and global -- that enables an organization to exist beyond its initial funding or program activity.

Proposition 2: Capacity-building is **relational in nature**, with an organization working in partnership with others that share its vision, mission or goals.

Proposition 3: Capacity-building is a **participatory, mutual learning process** where involved individuals value learning that takes place through direct interactions in decision-making and sharing of experiences. Learning and capacity-building occurs for each organization that participates.

Proposition 4: Appreciative Inquiry (AI) can facilitate capacity-building by creating open dialogue that values an organization's history and strengths, and that produces a shared vision of the future and allows the search for opportunities to sustain its membership and mission.

The central concept that we propose is that of "multi-faceted capacity." This capacity enables nonprofit organizations to emphasize intra-organizational collaboration, and to learn from joint action within relationships inside the organization that occurs in ways that competitive organizations usually do not find possible because of their focus on individualized advantage. This focus on competitive positioning is seen as existing inside these organizations. Theories of learning, capacity building and constructive accountability, it is proposed, should focus on relationships that make it mutually possible for members to see the advantage of cooperation and collaboration.

In the view of these theories, people in organizational systems can be said to learn by creating local knowledge of effective practice through their everyday and seemingly mundane actions. They do so through engaging in dialogue (Gergen 2004) and in reciprocal action (Giddens 1984), learning from each other through processes such as the sharing of problem solutions (Orr 1990), and engagement in collaborative activities and sensemaking that create opportunities for constructive accountability (Seiling 2005). These approaches emphasize the simultaneity of doing and learning.

CAPACITY BUILDING – DEFINITIONS & CONTEXT

The term nongovernmental organization (NGO) is used to identify a variety of nonprofit organizations worldwide. It encompasses a vast array of organizations including charities, relief agencies, community-based organizations, environmental groups, women's groups, religious groups, and think tanks. NGOs are typified by a couple of common characteristics that they share with other nonprofits -- namely, they are operated as nonprofit entities and their members are unified and driven by commitment to a central mission.

The emergence of *capacity building* as a critical element in strategic organizational development stems from the interdependency of these organizations. At the same time an increasing concern with organizational sustainability has created an imperative to build capacity (Stavros 1998). One dilemma for

nonprofits is to determine how to build capacity while continuing, on a daily basis, to deliver on their mission (Korten 1990; Stamberg 1997; Fisher 1998). Literature review and fieldwork has produced a range of views and concepts about the nature of capacity and capacity-building, from which we developed the following definitions:

Capacity is the ability or potential to mobilize resources and achieve objectives. It provides all that is necessary to construct the relationships and locate resources needed to achieve an organization's vision, mission and goals.

Capacity-building is a social process involving interdependent relationships that sustain the collective existence and future of organizations committed to a common cause.

Part of the processes of capacity building is based in efforts to consider past, current and future strategies of development and sustainability. In recent years, *sensemaking* as a concept has become more prominent. *Sensemaking* is to notice something, match the new information with what is already known or suspected, reflect on what is considered, gain the input of strategic others (if there is time to get input), make a decision, take action and then to look back on it again to see if what was decided really made sense (Seiling & Hinrichs 2005). It is to utilize as much new "good" and old "good" information as possible so that the most effective decisions and *action* can happen. Sensemaking *is* a process of capacity building as it is a recurring cycle that adjusts processes and predictions about current and future events (Weick 1997). Unless organizations are aware of the process of making good sense that occurs prior to and as a part of problem solving and decision making, performance can suffer.

As a partner to sensemaking in capacity building, *constructive accountability (CA)* will be highlighted. Research has identified current traditional practices of accountability as located *after-the-fault*. Activities of traditional accountability are located in locating the fault, identifying the deficiency, finding the one who did it and taking corrective action "so it doesn't happen again." Although organizations are now attempting to motivate people to be open, share their concerns, and "be part of how the work is done" collectively oriented processes, traditional forms of deficiency based, punishing accountability, according to the study, are still unquestioned and in place (Seiling 2005).

Motivation is central to capacity development of ongoing efforts to apply the talents of the individual and organization. Brehm & Wright's *energy theory of motivation* assumes the readiness to exert effort is determined by the perceived difficulty of a task (Oettingen & Gollwitzer 2001). If there is a sense that the capacity does not exist to achieve a task (it appears too difficult), the motivation to put energy into accomplishment will diminish. The situational cues and goal directed behavior (Gollwitzer 1993) become highly activated bringing a comparison to non-intended situations (the possibility of failure) impacting the motivation of the person to engage. Thus, the motivation of the participant to engage is adjusted by the availability of the capacity to fulfill the obligation to exert effort. This lack of capacity influences the formation of unwanted responses that prepare them by setting antagonistic behavior goals that represent the inability to perform (Gollwitzer 1999). Thus, organizations must be aware of the capacity for performance that is available in the organization in order to locate those who can fulfill a task and/or build that capacity to address the lack of available skills.

In the next section we will present the model that encompasses these propositions and briefly discuss the offered propositions. Together, the model and propositions provide an overarching conceptual framework intended to inform nonprofit leaders and their organizational members as they seek to build and/or enhance their capacities and capabilities—and to enhance researchers striving to understand processes for addressing issues regarding organizational capacity building for effectiveness.

A RELATIONAL FRAMEWORK OF CAPACITY BUILDING

No frameworks of capacity-building were found in the literature or retrieved from the interviews. When participants in the field were asked what would be the most useful product of this project, they

unequivocally noted the need for some framework to capture the essence of the capacity building process. **Figure 1** offers this graphic depiction and illustrates the propositions associated with the framework.

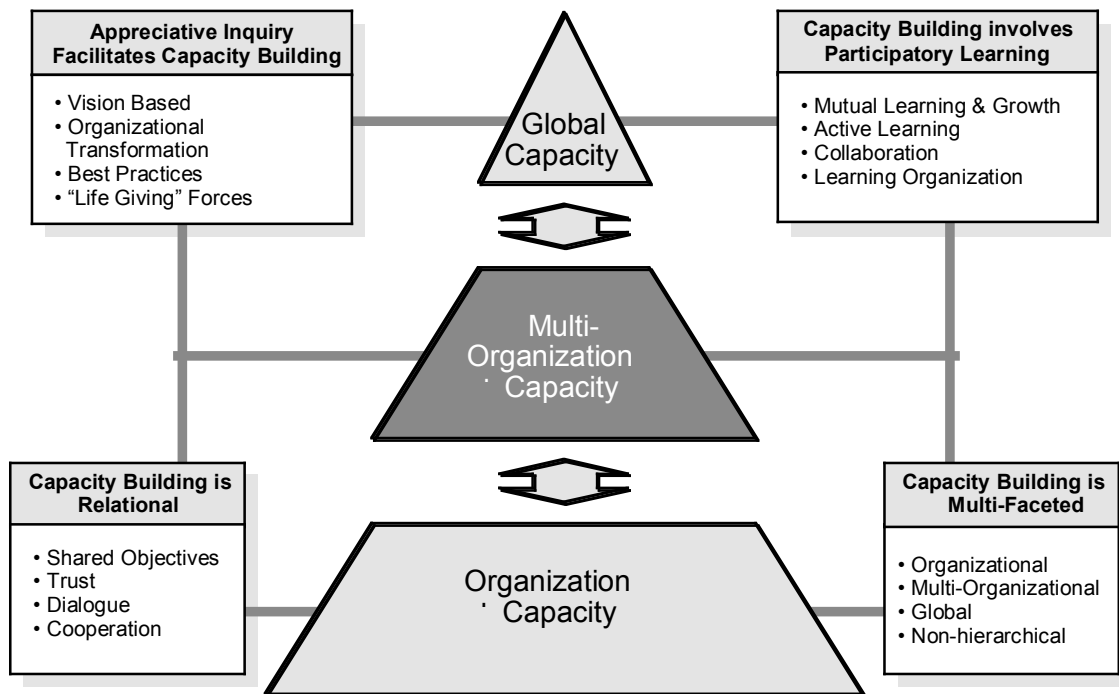


FIGURE 1: RELATIONAL CAPACITY BUILDING FRAMEWORK

Several central themes emerged in the developing of this framework. First was the multi-level nature of capacities. These levels are not mutually exclusive. Rather, they are highly complementary and inter-dependent. An organization can and often does operate at multiple levels at the same time. Second, the building of capacity is a complex process, and one for which there is no single formula for success. Many approaches can and have helped organizations build capacity. Finally, just as there is no one right way to build capacity, an organization does not necessarily proceed from one level to the next or sequentially through a process. It is a very non-linear dynamic process.

Proposition 1: The Capacity Building Process is Multi-Faceted

Capacity building is multi-faceted in the sense that people learn from each other, both from peers and across levels, with learning going both across and up and down. Based on the analysis of data from the interviews, discussions of capacities were in need of some organizing categories. Capacity building is analogous to constructing a pyramid in which each layer is distinct yet the strength of each layer depends on the strength of the others, thus, it is nonhierarchical. It is not necessary for any one organization to have great strength in all three capacity levels. For depicting the capacities of a particular organization, it would be possible to put any one of the three levels as the base of the pyramid, as foundational for that organization. For the purpose of this article, we will focus on organization capacity.

Organization Capacity

The first level depicted is *organizational capacity*. This occurs when individuals begin working together to build the internal relational and contextual components of the organization so it can better use its resources (e.g., people, time, money, facilities, climate) to achieve its mission; attain its vision and

goals/objectives to sustain its existence. A large body of literature has considered the nature of organizational capacities (Garilao 1987; Holloway 1989; Korten 1990; Perlman 1990; Reilly 1995; Stavros & Johnson 1996; Stavros 1997; Jackson & Seydegart 1997; Muchunguzi & Milne 1997; Fisher 1998). The core capabilities identified in the case studies for this research included financial, governance, information sharing and use of technology, service delivery, social/human capital, and achieving a strategic focus.

Organizational capacity is fundamental because it is at this level that the organization assumes its identity by discovering its values and defining its mission. It is based upon internal relationships which exist within an organization and through which the organization's structure is defined. Historically, capacity building interventions have focused at the organizational level, emphasizing the development of core capabilities and improvements in processes and organizational performance. Organizational capacity building does not fulfill a nonprofit organization's mission, but it does contribute to the organization's ability to do so. This is an important point because it provides the basis for the distinction between organizational capacity and the two other levels: multi-organization and global capacity. As important as the organizational capacity level is, it can become so inwardly focused that it does little to address opportunities, challenges and relationships that are external to the organization. Nonprofit sector can only achieve success on a token scale through their own direct action and, consequently, they must possess networking and influencing strategies to truly have significant impact (Edwards 1999). This shift in focus involves working with other organizations, as is captured in the concepts of multi-organizational and global capacity.

Mission Capability

As noted, central to the capabilities of a nonprofit organization is the ability to design and accomplish mission. Profitability is not judged by dollars in this arena but by mission performance. The mission must be clear and prominent because a nonprofit can be pulled off track by where funding for existence is originating. An important question relating to funding is: What resources do you want to attract to stay true to the mission?

The design of a compelling mission is the work of many. And it must be written from a *stakeholder view* of the organization. Kotler (2002) suggests that missions must be simple—and hence powerful, reflected in language of social and organizational benefit. Part of learning is also to be willing to reject outmoded organizational policies, practices and services that are standing in the way of meeting obligations to internal and external participants. Hesselbein used Peter Drucker's term, "planned abandonment." "This involves reviewing the organization's mission, what the customers' value, results, and plans to attain organizational goals" (p.1). There is a need to regularly take stock, assess capabilities, measure them against a future orientation and discard what no longer works.

Ultimately, it is the role of leaders to communicate the mission, vision and values of the nonprofit organization. They are strategists, ambassadors, evangelists, sensemakers and advocates for their organization and its cause—and they start on the inside. Leaders must articulate the dream and the needs of the organization to those inside the organization that represent the mission to those they serve—and do it well. It is the task of the leader to get everyone on board; the membership ultimately demonstrates the mission of the organization to those they serve. The organization's mission is viewed through their performance every day, every time and every moment. There must be an *exchange of value* every time they serve the mission of their organization (Kotler 2002). Capacity building ultimately is possible through the relentless service of those being served.

The mission must also be "marketed" to those external to the organization. Nonprofit CEOs serve, as noted above, as ambassadors and evangelists of their organization and its mission to outside individuals, groups and organizations. Maintaining the vitality of the nonprofit is often done both "outside in" and "inside out" through informing and exclamation of value by the leader of the organization.

Conceptually, it is important to see organizational, multi-organizational, and global capacity levels as interacting and over-lapping. In a relational capacity building framework, an organization's efforts to build capacity is a function of the interplay of these three levels. Capacity building does not begin with individual capacity nor end with organizational capacity. Rather, capacity building involves the whole network of relationships that make it possible for the organization to succeed and thrive.

Proposition 2: Capacity Building is Relational in Nature

Capacity is described above as everything needed to construct *relationships* to pursue an organization's vision, mission and goals. Capacity building changes the nature of relationships in positive and uplifting ways. In building capacity that is uplifting, accountability must be seen as constructive, a process of learning, being together that allows us to together create new future possibilities and to work together in ways that make contributive work possible. For the organizations that we have studied and worked with, building relationships has been the source of learning and the generation of information from and between one another. Relationships that are interdependent facilitate the capacity building process. Capacity building occurs around relationships that make it possible to co-create and collaboratively accomplish goals and tasks.

The definitions that we have shared on capacity and this discussion of its multi-faceted nature present capacity building as a relational construct relates back to the *social construction of capacity*. It is generally agreed that capacity building is a process designed to allow an organization to attain its vision, mission and goals, and sustain itself. But in a relational framework, capacity building is also seen as a dynamic social process, a socially constructed process of engagement and sensemaking. It is *dynamic* because it continuously seeks to develop the organization and its stakeholders to higher and higher levels of capacity. It is *social* because capacity can only be built through interactive social and human capital developed through people.

Tenkasi and Mohrman (1997) found that knowledge in building capacity must be collaboratively created and used. They found that the intentional and careful creation of what they call "interpretive spaces" is where joint meanings take place and joint learning is enabled. It is where the making and managing of sense becomes possible. Knowledge (and sense) is constructed in relationships (Thatchenkery 2004). Knowledge is relational in that it is constructed and put into practice by people. Whether these relations are constructed inside or outside of the organization, the knowledge must end up inside the organization (Hosking & Fineman 1990). These connections are illustrated in Figure 2.

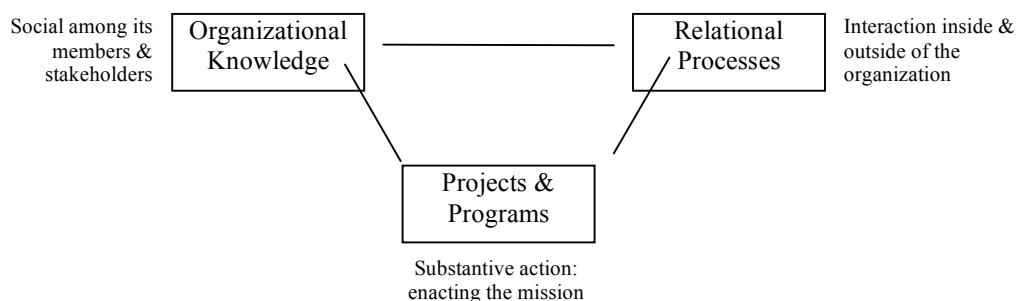


FIGURE 2: CAPACITY BUILDING RELATIONAL CONNECTIONS

Through relational processes of networking and negotiating meanings with others (upper right), and through engaging in projects and programs (bottom center) individuals create more-or-less shared understandings with their colleagues and stakeholders that adjust to future considerations. The knowledge base that they build through such processes (upper left) is not individual but collective. That is, the knowledge required for capacity in organizations and organizational networks is held by groups. It is constructed through interactions that are mediated by the quality of relationships within and across groups.

Networks and Dialogue

Kogut and Zander proposed that organizations “be understood as a social community specializing in the speed and efficiency in the creation and transfer of knowledge” (1996, p.503). Vital to the ability of an organization to build capacity, the social communities within organizations are dependent on networks that are a combination of the characteristics of individuals, issues and the organization in which they are embedded. Networks are present at all levels of organizational organizing. Networks make it possible for one unit to gain knowledge from other work units, orchestrated by members who have relational accessibility to other units (Tsai 2004). The internal learning capacity of a unit is determined by the extent to which it can absorb new knowledge acquired through existing networks of connection (Cohen & Levanthol 1990). The ultimate outcome of being able to absorb, transform, apply and exploit new ideas and learnings positively impacts the ability to build organizational capacity.

Dialogue is vital to the learning and absorptive capacities of the organizational members and the organization as a whole. “Dialogic talk” is a cooperative exchange, tapping the minds and energy of the participants. Without dialogue, people “fill in the blanks” without the information to do so accurately. People have a *desire for knowledge* about their environment (wanting to know what is expected), a *desire for affirmation* (wanting to be acknowledged as competent) and a *desire for coherence* (making sure that what they understand is consistent with what *should* be understood or known) (Dunning 2001). Maintaining ones desire to remain tightly connected to a group, network or organization requires talk that meets these three desires and to be motivated to perform the work with energy.

Trust and Shared Objectives

In a very real sense, capacity building is the building of relationships between and among people inside and outside the nominal organizational boundaries, making it possible to build a series of relationships based upon trust and shared objectives. Without the ability to create relationships that transcend and transform available capabilities, suggested as *relational capacity*, gaps of capability will create vacuums of opportunity—and vacuums of trust, both individually and organizationally. Reconfiguring capabilities is a time consuming effort (Lavie 2006). Therefore, in order for nonprofit members to continue to work together effectively for the common good, people must believe in and trust each other. Unfortunately, states Gambetta, “Trust would seem to be one of those states that cannot be induced at will, with respect either to oneself or others” (1988, p. 230). A strong linkage exists between building trust and building capacity. In Johnson’s (1992) research on global social change organizations (GSCOs), she concluded:

Trust involves building dependable relationships and demonstrating one’s true commitments over time. It means valuing the diverse cultures in which one is working, honoring traditional wisdom and permitting one’s own notions and concepts to be influenced to some extent. (p. 410)

Judgments are made regarding the level of trust offered by others. Those judgments are anchored, at least in part, on priori expectations of the other’s behavior and one’s subsequent experiences that support or discredit those expectations. Interactions that reinforce increase trust offering opportunities for cooperation and resource availability; interactions that “violate” expectations of trust undermine trust enduring short and long term costs of feelings of violation and disconnection (Kramer 1999; Deutch 1958; Messick et al. 1983; Rotter 1980). Thus, capacity building is likely more possible in an environment where organizational members are willing to offer trust to others and accept the trust offered by others.

In order for trust to get grounded, policies and procedures (such as eliminating locks on supply cabinets and adopting flextime in a social service agency) must be considered that build a shared expectation of trust among the members that cooperation and trust will most likely be reciprocated (Kramer 1999). Kakabadse et al noted there are two dimensions of need – “the need behavior we initiate towards other people, our *expressed* behavior, and the behavior we should like other people to initiate

towards us, our *wanted* behavior” (1987, p. 101). Seiling (2001) offers four “wants” of organizational members as to how they prefer to be treated in the workplace, ultimately impacting trust levels. Organizational members at all levels want:

- To be treated with respect and dignity;
- To be acknowledged and appreciated;
- To know that their work matters to the success of the organization; and
- To be proud of the organization they represent both on and off the job.

These “wants” are especially significant in nonprofits. Compensation is often lower in nonprofits making it a sacrifice to serve in the organization. Avoiding the possibility of cynicism and signals of being taken for granted requires meeting these four wants—thus expanding trust levels and relational capacities.

Constructive Accountability

The ability to trust and build dependable relationships can be at risk in the traditional approach to accountability. Because of member responses to these accountability practices, the desire to take risks, expand knowledge, and be accountable, research tells us, is to be avoided (Tetlock 1992). Status quo is less risky. In constructive accountability, accountability is moved inside the process of working with others and include *account offering* (approaching and being approached by others to seek information and experience of others regarding an issue or activity), *account exchanging* (engaging in exchanges that deepen knowledge and consideration of what is offered), and *account advancing* (those participating in account exchanging (as partners) take their agreement(s) to interested others—eliminating the secrecy element and inviting others to participate in another account exchange regarding the offering). Accountability is rightly so a shared ongoing activity of contribution and collaboration (Seiling 2005).

Proposition 3. Capacity Building is a Participatory, Mutual Learning Process

Capacity building, as a participatory and collaborative learning process, suggests that *active learning* plays an important role in the future destiny of the people inside organizations and the organizations themselves. The mutuality of learning occurs continuously in obvious and less obvious ways. Formal and informal meetings as well as casual talk provide contexts for learning that facilitates the building of capacity.

Active Learning

Learning requires connections across groups that provide opportunities for learning. Organizations struggle to move new conceptions of how to work together across their workplace environment. There are “meta-conversations” (Robichaud, Giroux & Taylor 2004) that are overarching (understood by all) and hidden, or evident and undiscussed, that hampers learning. Yet organizations and the people in them every day “learn by doing,” “learn by using” and “learn by helping others.” It occurs without thinking or seeing it as evident.

Hamel, Oz and Prahalad (1989) found that the organizations that get the most out of their organization to organization relationships are those that set out to learn from each other. In these case studies, learning was not something that took place within a single organization. On the contrary, learning resulted in the building of multi-organizational capacity through a collaborative learning process of working together.

Collaboration

It is only rarely that two naive and inexperienced parties interact to produce expert practice. More commonly, one partner will be more expert than the other. By acting together to accomplish a task, there is a strong possibility for situated, realistic, practical learning to occur for the less expert party. We see

these as enhancing *collaborative capability* expanding the knowledge exchange across disciplinary and hierarchical boundaries (Henderson & Cockburn 1994; Teece et al. 1997; Matusik 2002).

Lave and Wenger (1991) describe such situations as involving the potential for “legitimate peripheral participation.” The two parties are jointly engaged in legitimate activity, with a shared goal. The apprentice typically engages in the process in a peripheral fashion, performing needed but less risky tasks, with the master nearby to help or demonstrate when needed. In practice, the participants are engaging in constructive activities of accountability in that there are collaborative activities that facilitate joint learning and action. Both are aware and willing to offer, exchange and advance knowledge, thoughts and experience related to the task (Seiling 2005). According to Bapuji & Crossan, “When individuals act in relationship to each other based on certain expectations, a collective mind emerges” (2005, p.2). In a collaborative exchange, a collective mind is an outcome that establishes mutual learning and exploration with much of the process guided by intuition (Weick & Roberts 1993).

Proposition 4. Appreciative Inquiry (AI) Facilitates the Capacity Building Process

As a strength-based process of collaborative learning, Appreciative Inquiry (AI) was used as a vision-based method of discovery and open dialogue in the study. Capacity building is routinely an outcome of this process (Barrett & Fry 2005). AI involves identifying and building on existing strengths rather than examining in detail problems and deficiencies (Cooperrider et al. 2004). As mission driven organizations, nonprofits can benefit from an appreciative approach that invites them to learn and value the history of their organizations while identifying and building on existing organizational strengths and creating and joining in partnerships.

Discovering Best Practices & Life-Giving Forces

In the capacity building study, the four nonprofits felt that AI allowed their members to discover and to bring out the best practices of capacity building for their organizations as well as their partner organization. Several alluded to the process as being appreciative in nature. AI recognizes the relational and situated nature of learning and capacity-building. As noted by participants in the study in discussing their capacity-building experiences, AI allows everyone to have an equal voice in a dialogue, leading to free and full participation. One group of members saw both capacity building and AI, through their emphasis on the positive, as an ongoing, never-ending, sustainable social process. It emphasizes a collaborative process of open dialogue to help an organization and its partners understand what they see happening when their organizations are working at their best. This data can be used to help create an image of “the best of what can be” for the future. The power of AI is in its potential to create a visual image as the members of the organization participate in envisioning a mutually agreed upon and shared future. The process of positive language and affirmation fits with the value systems of nonprofit organizations.

Organization Transformation

For any organization to be successful, they must continually change and grow. AI provides a perfect venue for preparing an organization for such transformation. AI is the grounding place for a set of managerial abilities in conversation that are of particular benefit as competencies that can create *appreciative learning systems* for nonprofit leaders (Barrett 1995). Barrett suggests the following four leader competencies:

- *Affirmative competence*—the ability to identify positive possibilities by focusing on past and present successes, assets, strengths and potentials;
- *Expansive competence*—the ability to engage organizational members by having them design and converse while challenging existing thinking and organizational practices, with an emphasis on stretching the capabilities of the organization;

- *Generative competence*—the ability to create explorative systems that orchestrate member recognition of the consequence and value of their contribution to the process of progressing toward positive consequences; and
- *Collaborative competence*—the ability to create space for conversation where members can share diverse ideas and perspectives that add to mutually valued communication regarding future organizational success (Barge et al. 2003; Seiling 1997).

The AI process mirrors the multi-faceted and relational framework of building capacity because it moves members of an organization beyond organizational boundaries to form new relationships to get things done. It is tightly focused on positive, expert and realistic actions, past and future. Barge et al. note, “It is through “collective inquiry”—exploring together—that new patterns of feeling, thought, and action” (2003, p. 124) are developed during the AI process. The significance of the dialogic process of inquiry is in location of opportunities for capacity building.

IMPLICATIONS FOR IMPROVING ORGANIZATIONAL EFFECTIVENESS

The model and propositions presented here are intended to convey the practical promise of capacity building in the nonprofit community. Capacity building has for the most part yet to be fully understood by the nonprofit organizational community—especially at the multi-organizational and global level. Concepts of capacity-building can provide a basis of common understanding for continued discussion, assessment and implementation of organizational improvement efforts. Since capacity-building is seen here as inherently tied to a) ongoing actions to accomplish mission, and b) multi-organizational alliances and interactions, the concepts fit well with current realities and trends facing our nonprofit organizations.

The evolving intentional nature of organizational capacity requires the attention of leaders and organizational membership. Leaders were in the past responsible for the development of learning and competence. In the 21st century, this is no longer true. Although leaders are charged with identifying the overarching need(s) for building capacity that supports a future orientation, development of personal capacity and competence is often in the hands of the individual members of organizations. Each person—and the collective group, is responsible for locating, with the help of organization leaders, what is needed to support personal and organizational success (Seiling 1997). In the end, responsibility and accountability for the health and capacity of an organization—or the insolvency and demise, especially in the nonprofit community, lie in the hands of *every* member of the organization.

Yet, common wisdom in the organizational community is that leaders are ultimately accountable for the capacities of the organization. Kotler (2002) suggests that it is their challenge to tirelessly...

- Remind volunteers and staff of the organization’s reason for being
- Establish a client-first attitude at the front line
- Provide feedback systems and measuring results
- Give people the tools to make decisions and act in the best interests of the clients
- Match responsibilities to individual capabilities, setting clear goals, and treating volunteers and staff like professionals

Although one could be puzzled as to why these listed leadership elements are “capacity-building” endeavors, these well understood activities in the work life of a nonprofit leader are the essence of making it possible to create and support capacity. The reality is that nonprofits are faced with financial and recruiting challenges that impact their ability to build capacity. The location of funding and human resources will remain a challenge. Yet it is essential that a concerted effort be made to meet the capacity building needs of the nonprofit organization.

The lessons learned in this nonprofit study of capacity building suggest that anticipating the future of nonprofits requires an awareness of the need for ongoing capacity building efforts. Implications of this study suggest the following:

- There are clear indications that in the 21st century there are rising expectations for quality and service excellence in the nonprofit community. Ineffectiveness or a lack of focus on serving the internal and external community will lower the ability of the nonprofit to meet the mission of their organization.
- The accomplishment of the mission of a nonprofit requires attention to the capacities of the organization—and what can be done to build capacities.
- Capacity building can and will continue to have a prominent role in the nonprofit world. More importantly, capacity building is not a fad, but a fundamental component to building sustainable nonprofit organizations.
- Leaders and members of a nonprofit organization share responsibility for the mission capability, learning capacity, network functioning and collective efforts inside the organization.
- Trust is an outcome of relationships that are developed over time.
- Sensemaking and constructive accountability are collaborative activities that contribute to individual and organizational capacity.

By institutionalizing capacity building, nonprofits can begin to develop traditions that embed these practices into the very essence of the nonprofit organization. Our final message is that all strength-based models of work depend on having people who want to be there and who feel there is an important reason to be working at this particular organization. Nonprofits especially must connect their membership with the mission of the organization helping them to see why they come to work to serve sometimes those people who lack understanding of the constraints of the services being offered. Leaders must be appreciative, supportive and resourceful. Members must be contributive, capable and resourceful. Continuous attention to the capacities of the organization and the capabilities of the membership can make it possible to meet the challenges that the mission of the organization in the complex world of serving clients. To not do so puts everyone, organization members and clients, at risk of losing the offered services.

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