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Introduction and Rationale

Background to the literature review

A core focus of the strategy adopted by Atlantic Philanthropies (AP) in achieving its vision, mission and goals, is to build capacity for social justice in the sectors and fields in which it has chosen to work. As part of its overall strategy, AP commissioned a study of capacity building strategies in use in grantee organisations. This literature review is part of that wider study.

The capacity building study

This study offers a targeted review of the literature on organisational capacity and capacity building (CB). Recently, there has been a growth in both practice-based and theoretical literatures relevant to CB. This review therefore takes an approach that (1) provides an ‘analysis of analyses’ (Glass, 1976) of capacity building to make some sense of the ‘verbal synopses of studies [that] are strung out in dizzying lists’ (Glass, p.4, quoted in Humphrey, 2011) and (2) locates know-how about capacity building as a specific application of organisation development (OD) knowledge. This review draws on CB literature from development, social policy and philanthropic domains and on OD literature, which includes public and private sector, individual, group, organisational, inter-organisational and sector-level sources.

As a targeted review, designed to be useful to those funding capacity building and to those deploying capacities to achieve social change, it does not collate large data sets, utilise statistical analyses, or require the a priori definition of terms that are characteristic of more systematic reviews. To offer a fresh slant on existing knowledge, the review takes a more grounded approach (Glaser & Strauss, 1967), moving between theory and practice in an iterative flow of induction and deduction to craft a conceptual understanding of the complex social processes involved in capacity building. The essence of this approach is constant comparison, through the discovery and identification of categories in ways of thinking and ways of doing (see: http://www.groundedtheory.com/what-is-gt.aspx). To minimise our preconceptions, no pre-determined ‘research problem’ was identified within the general topic of capacity building.

A key consideration for this work is to understand how the language of capacity building is used; the literature ranges across highly diverse understandings of what constitutes capacity building. The term itself comes under scrutiny in the literature and alternative language is offered that reflects changing views about the work of building capacity. The literature acknowledges that the language is invested with meanings reflecting different political stances about social change and differing views about the nature of organisation change.

One of the challenges and opportunities in examining the capacity building literature is to locate capacity building within the field of organisation development and as an application of OD knowledge. The literature on how to build capacity is strongly linked to and influenced by foundational understandings (implicit or explicit) of the nature of
organisational and social change. This relationship between organisational development and capacity building is a theme running through the literature review.

While much of the literature examined focuses on ‘doing’ capacity building – what this means, how to approach this, what hinders and what helps – a further critical consideration is how to sustain capacity that is built. What forms of investment, and by whom, are needed to embed the organisational and societal capacity that has been built? The literature on this question is also introduced as part of the review.

Much of the literature is concerned with building capacity within a single organisation. However, for philanthropic funders, concerned with achieving lasting social change in a region, or an area of people’s lives, or for a particular group in society, their focus is on building capacity in wider fields of action. For this reason, what the literature says about capacity building in social and organisational fields is of particular interest.

**Categories of literature reviewed**

Our analysis of analyses found that the CB literature groups into four broad categories:

- Literature that raises or addresses terminology and definitional problems as reviewed in this section, often accompanied by lists of CB essentials
- Literature that takes for granted or makes assumptions about concepts and definitions and goes straight to ‘how to’ questions
- Literature that focuses on specific levels of capacity building. Much of this literature is concerned with CB in/with single organisations, rather than at wider sector/field levels. Field and sector CB literature tends to be linked to developing world/development aid contexts which do not transfer easily into a Western European context. Some field level CB advice is available through specific sources, such as social entrepreneurship and the OD literature, for example, on designing referent organisations to support sector-level collaborations to address field-level problems (Trist, 1983)
- Literature that deals with philosophical or ideological issues and approaches that have political dimensions. This discourse is focused on systemic levels of capacity building, and examines the socio-political impact of how capacity building is undertaken. For example, the choice of a ‘top down’ or ‘bottom up’ approach is seen as highly political; Craig (2007) describes capacity building strategies in several countries across continents, and offers a strong critique of ‘deficit’ models that assume communities lack skills and abilities. He further argues that community capacity building ‘is essentially not a neutral technical process; it is about power and ideology and how these are mediated through structures and processes’ (Craig, p354). Eade similarly comments on the high-level global, international and national import of stances taken about capacity building:

  *The ever shifting balance of relationships between state, market, civil society, and household is not a new phenomenon; Issues of power, interests, marginalisation and conflict remain central; The concept and practice of capacity-building has to be tested against whether it can contribute to creating the synergy between different actors which can confront and challenge existing imbalances of power.*
A recent presentation for USAID (United States Agency for International Development) by John Berman offers a typical review of the CB literature.

Numerous articles described approaches to capacity building including:
- Communicating well
- Providing mentoring, supportive supervision
- Being team oriented, collaborative
- Working within the local context (organisation, culture, country, etc.).

Journal articles tended to:
- Define capacity building
- Advocate for capacity building
- Equate capacity building with training.

Limited number of peer-reviewed articles (n≈70):
- Research was general, with few specific approaches or strategies rigorously reviewed
- Very limited evidence of documented impact.

Tools collection and analysis findings:
- Many well-known and appreciated tools
- Some easily available on websites
- Many situation-specific tools
- Many similar approaches
- Minimal discussion or evidence of impact
- Few common indicators.

Evidence gap:
- No rigorous, controlled studies demonstrating that capacity building leads to changes in service delivery
- No common standards of what is acceptable (critical minimum) or ideal (aspirational), independent of the capacity building approach used
- No widely applicable indicators of progress with which to measure capacity building, independent of the capacity building approach used.

Further information at:
The content of the review

‘Section 1: What is Capacity?’ gives an account of the diverse ways in which the concept of capacity is understood in the literature. It highlights the problematic nature of the language of ‘capacity’, and highlights the influence of language – the way in which the meaning attributed to capacity impacts on approaches to capacity building.

‘Section 2: Capacity Building’ describes a range of forms of capacity building. It explores the relationship of capacity building to organisation development, and how an organisation development philosophy shapes the approach to capacity building, including the shift from the language of capacity building to capacity development.

‘Section 3: Developing Sustainable Capacity’ examines what the literature tells us about how to sustain capacity building. Moving from the more high-level thinking described in earlier sections, the focus here is on the particular elements of capacity development that can help to achieve longer-term sustainable change, or hinder such change.

‘Section 4: Capacity Development in Social and Organisational Fields’ focuses specifically on capacity development in social and organisational fields, as an area of particular relevance to philanthropic commitment to wider social change. It notes the overlap with capacity development in an organisation, but also points to the unique challenge of capacity development on a larger social scale.

‘Section 5: Conclusions’ brings together key learning from the literature review, and highlights opportunities for drawing on this learning to build sustainable capacity in organisations and fields supported by philanthropic funding.
Executive Summary

This report offers a targeted review of capacity building, drawing on CB literature from development, social policy and philanthropic domains and on organisation development literature, which includes public and private sector, individual, group, organisational, inter-organisational and sector-level sources.

The review takes a grounded approach (Glaser & Strauss, 1967), moving between theory and practice to develop conceptual understandings of the complex social processes involved in capacity building.

A key consideration for the work is to capture the diverse understandings of what constitutes capacity and capacity building, and to draw attention to the way in which understandings of capacity shape the approach to capacity building. The report highlights the range and diversity of meanings attributed to the concept of capacity in organisations. Meanings range from very specific functions within an organisation such as financial management to a wide systems focus on all of the capacities that together constitute an organisation’s overall capacity. Various frameworks of organisational capacity exist, each taking a view on what features of organisational life should be the subject of attention for capacity building.

Authors that promote the case for an overarching organisational capacity framework propose that capacity building should adopt a related framework for diagnosing and addressing organisational strengths and weaknesses. Authors that posit a hierarchy of organisational capacities, including higher-level and often invisible capacities, suggest that the interdependencies among these must inform capacity building.

The accounts of the range of possible approaches to and understandings of capacity underline the challenge for capacity building. The literature highlights how capacity building is itself a contested term, and how a range of models, methods and tools have developed over time. The diversity of models and interventions reflects the range of organisational capacities: capacity building can apply to any specific function of an organisation, or to the whole system, or to a wider social field. Practices aimed at assessing need and designing interventions need to be explicit about their assumptions and focus as to what capacities matter at any given time in the life of an organisation and for any particular purpose.

The literature on how to do capacity building is influenced by foundational understandings about the nature of organisational and social change. One of the related challenges and opportunities is to locate capacity building in relationship to the field of organisation development and as an application of OD knowledge. This relationship between OD and CB is a theme running through the literature review.

An OD approach recognises the organisation as a contested space and not a fixed entity. It foregrounds particular features of capacity building such as vision, empowerment, stakeholder participation, and management of organisational learning and knowledge. The
OD approach favours the language of capacity development over capacity building, as reflecting the longer-term investment in organisational change, and suggests that the focus of intervention should be on sequenced and planned change initiatives. This concept of capacity development as change management links capacity development to the extensive literature on what is needed for successful change initiatives and what leads to failure.

Alongside the focus on capacity development, a critical consideration is how to sustain capacity that is built. What forms of investment, and by whom, are needed to embed the organisational and societal capacity that have been the subject of capacity building efforts?

The idea of developing sustainable capacity introduces a time dimension into the discourse. What enables organisations or programmes to change and adapt over time, and to know what is needed at any given time? The literature describes various approaches to developing sustainable capacity that take account of the unique characteristics of particular projects, such as building institutional partnerships in developing countries between donors, officials and the private sector.

The literature also identifies a range of features linking sustainable capacity development to an OD approach to sustainable change. These include: paying attention to the context of an organisation – its size, status, stage of development; recognising that capacity development takes time and requires the flexibility to respond to the unexpected; and working to a cycle of planned change, while recognising that the cycle may be interrupted by unplanned events, difficult relationships or shifts in funding or policy contexts.

The literature underlines the key role of evaluation as an essential element of effective capacity development: the shift is noted from a focus on measuring inputs and outputs towards a theory of change (ToC) approach that seeks to understand what is working and why. This shift requires evaluation to happen in real time and to support a process of continuous improvement. The literature also emphasises the importance of managing learning and knowledge, without which key learning can be left unused or lost. All of these features have implications for the role of the change agent.

For philanthropic funders concerned with achieving lasting social change, the focus is often on building capacity in wider fields of action. Field building occupies a unique place in the work of philanthropic funders who want to bring about positive and lasting social change which cannot be achieved by the work of any one organisation. For this reason, what the literature says about capacity building in social and organisational fields is of particular interest.

Field building demands an assessment of the actors in the field, their interconnections and collaborations, the dynamic of their relationships, how resources are accessed and used, and the boundaries between organisations in the field and the boundaries around the field. Networks occupy a place of significance in field building. The literature suggests that much of the learning from OD can offer insights into how fields work and how they change, as emergent processes.
The sharing of knowledge has particular importance and resonance at field level. One concept noted in the literature is that of communities of practice (CoPs). CoPs have particular characteristics – a common domain of interest, participation in joint activities and information sharing, and a shared repertoire of stories about ways of addressing problems, developed through sustained interaction.

Capacity development matters a great deal to organisations and philanthropic funders, who share the goal of accomplishing organisational mission and achieving lasting social change. It is clear from the literature that the prospects for success are strengthened when organisations and funders share understandings of what constitutes capacity, and how best to intervene effectively to develop and strengthen organisational and field-level capacities. Getting behind the language, to construct real consensus about what is needed and how to achieve it in a sustainable way will be a fruitful arena for dialogue.

Alongside this important dialogue about theory and concepts, the literature review signposts the scope for strengthening capacity development work in a rich variety of practical ways – developing and testing new tools and processes for assessing capacity and undertaking evaluation, engaging in scrutiny of the relationship between change agents and organisations, and putting in place robust ways for sharing the learning from successes and challenges. Making use of these opportunities can contribute in a real way to the goal of developing sustainable capacity.
Section 1: What is Capacity?

Overview

The literature on organisational capacity building draws on understandings (and sometimes lack of understanding) about what constitutes organisational capacity and organisational effectiveness; what is being built? And to what purpose? Indeed, the variety of ways of understanding and describing organisational capacity is seen as posing a problem for work on capacity building. For example, Sobeck and Agius (2007) refer to the problematic nature of capacity building in light of the absence, they contend, of any consensus around the factors that influence organisational effectiveness or any account of their complex interplay and relative weight.

In this section, the emphasis is on describing the range of understandings in the literature about capacity and capacities.

Accounts of the nature of capacity

Organisational capacity is described in terms of any one or, importantly, a combination of these:

- Capacity to achieve particular outcomes
- Capacity in terms of particular internal functionalities and processes – what people do and the systems and structures in use in the organisation (e.g. governance, fundraising)
- ‘Hidden’ capacities such as culture, relationships, beliefs
- Cross-organisational/cross-functional capacities such as leadership
- Capacity to ensure the future sustainability of the organisation.

Some studies make long lists of specific capacities; others set out to organise their account in terms of a typology or framework. Yet others propose that there is a definitive set of identified capacities that make up the overall capacity of any organisation and offer ways of thinking about how these relate to each other.

Particular forms of capacities

Linnell (2003) refers to capacity that is outcome focused, but also made up of specific organisational capacities and, in tandem, the particular capacities of individuals. According to Linnell, capacity is an organisation’s ability to achieve its mission effectively and to sustain itself over the long term. Capacity also refers to the skills and capabilities of individuals. Organisations have ‘capacity’ in relation to every part of the organisational work: governance, leadership, mission and strategy, administration (including human resources, financial management, and legal matters), programme development and implementation, fundraising and income generation, diversity, partnerships and collaboration, evaluation, advocacy and policy change, marketing, positioning, planning, etc. For individuals, capacity may relate to leadership, advocacy skills, training/speaking abilities, technical skills, organising skills, and other areas of personal and professional effectiveness.
Lusthaus et al. (1995) describe eight types of organisational capacity: strategic leadership, organisational structure, human resources, financial management, infrastructure, programme and service management, process management, and inter-organisational linkages. The International Development Research Centre Canada (see: http://www.idrc.ca/en/ev-43616-201-1-DO_TOPIC.html) identifies the essential focus of capacity building, stating that ‘the aim of capacity development is to improve the potential performance of the organization as reflected in its resources and its management’ (See: idl-bnc.idrc.ca/dspace/bitstream/10625/47534/1/IDL-47534.pdf).

The UNDP (United Nations Development Programme), on the other hand, introduces a future-oriented focus, emphasising the importance of the capacity to maintain and sustain the organisation into the future (without being specific about particular capacities for that purpose). It defines capacity as ‘the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner’ (see: http://www.beta.undp.org/content/dam/aplaws/publication/en/publications/capacity-development/capacity-development-a-undp-primer/CDG_PrimerReport_final_web.pdf p.53).

Capacity development is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time.

Frameworks, domains, whole-organisation approaches

Earl et al. (2001) distinguish between operational and adaptive capacities. UNDP works in relation to well-defined capacity domains, which are ‘most commonly encountered across sectors and levels of capacity’ where ‘the bulk of changes in capacity take place’. Every assessment of capacity building need should consider all four domains (institutional arrangements, leadership, knowledge, and accountability) as this defines the scope of an intervention.

A number of authors take a ‘whole-organisation’ perspective, where they set out what they regard as the definitive set of organisational capacities. In their work on National Societies, The Impact Alliance (see: http://www.impactalliance.org/ev_en.php?ID=6902_201&ID2=DO_TOPIC) argue that any organisation must demonstrate five fundamental ‘capacities’:

1. Competent (qualified and experienced) people
2. Relevant programmes
3. Efficient organisational structures
4. Adequate resources
5. An effective way of working.

Hierarchies and other frameworks

Some studies take the whole-organisation approach a step further, proposing that these fundamental capacities can be structured as a pyramid or hierarchy. This has consequences for both assessment of capacity and for structuring interventions.
McKinsey & Company (2009) model capacity in a non-profit organisation as comprising a pyramid of seven essential elements, including three higher-level elements: aspirations, strategy, and organisational skills; three foundational elements: systems and infrastructure, human resources, and organisational structure; and a cultural element which serves to connect all the others. They assert that coordinated capacity building across all seven elements will help organisations achieve the greatest social impact.

![Capacity Framework](image)

Figure 1: Capacity Framework (McKinsey for Venture Philanthropy Partners, 2009)

Honadle (1981) begins the consideration of capacity building by exploring what makes up organisational capacity, defined not as one entity but as a set of capacities to:

- Anticipate and influence change
- Make informed, intelligent decisions about policy
- Develop programmes to implement policy
- Attract/absorb resources
- Manage resources
- Evaluate to guide future action.

Honadle proposes that a capacity building framework is one that addresses each of these aspects of capacity: it provides a way of diagnosing and addressing organisational weaknesses and strengths.

Potter and Brough (2004, p.340) also propose the idea of a pyramid of capacities, although they relate this primarily to field-level interventions and in a development context. They suggest that these need to be considered in a logical order, to get the benefit of investment in development. The authors suggest that, as one moves down the hierarchy/pyramid,
change in capacity becomes more difficult (e.g. harder to change culture and systemic factors), and takes longer to implement.

Figure 2: Pyramid of Effective Capacity Building (Potter & Brough, 2004)

They describe an evidence-informed model, developed by the EC Technical Assistance team, differentiating nine separate but interdependent components of capacity building, and how these can be organised in a logical hierarchy, where the effectiveness of one form of capacity depends and builds on other forms. However, they stress that capacity building is more likely to be an iterative rather than a sequential process.

Figure 3: Components of Capacity Building (Potter & Brough, 2004)

Potter and Brough argue that using the model as an analytical tool helps to identify where support interventions are needed and can leverage most impact. The authors conclude that:
By addressing systemic capacity building as a hierarchy of components in which the less tangible are the most important...significant improvements could come about in the way development aid resources are used. (Potter and Brough p.344)

Kaplan (2000) also proposes a series of interdependent elements at organisational level that are essential to organisational capacity (which he does not define explicitly). He suggests that these form a hierarchy; some are more important than others. They are:

- A conceptual framework: a competent understanding of the organisation’s world, without which it will be incapacitated regardless of other skills and competencies
- Organisational ‘attitude’: confidence to act in and on the world in a way that the organisation believes can have an impact
- Vision and strategy: sense of purpose
- Organisational structure: clear roles, functions, lines of communication, decision-making processes
- Skills: individual skills, competencies (but organisational capacity has to be harnessed sufficiently to harness training)
- Material resources.

Arising from this analysis, Kaplan suggests a ‘paradigm shift’ in thinking about capacity building – moving the focus from work on more tangible elements at the base of the hierarchy to intangible elements. He argues that critical elements at the ‘top’ of the hierarchy are invisible and more impervious to conventional approaches to capacity building.

Summary
The literature examined in this section highlights the range and diversity of meanings attributed to the concept of capacity in organisations. Capacity can be described in terms of the organisation’s ability to achieve particular outcomes, or in terms of long-term sustainability and growth. Meanings range from very specific functions within an organisation, such as financial management, to a whole-system focus on all of the dimensions that together constitute an organisation’s overall capacity. Various frameworks of systemic capacity exist, each taking a view on what features of organisational life should be the subject of attention for capacity building.

This account of the range of possible approaches to and understandings of capacity points to the challenge for building capacity: practices aimed at assessing need and designing interventions need to be explicit about their assumptions as to what capacities matter at any given time and for any particular purpose in the life of an organisation.
Section 2: Capacity Building

Overview

The focus of this section is on what the literature says about capacity building: How is capacity building understood? What are the differing perspectives on how to ‘do’ capacity building?

Capacity building features prominently in the international development and community participation literatures. Capacity building clearly has currency in these worlds, although the term itself is contested. Assertions about what it is and how to do it have changed over the years and a range of models, methods, tools and evaluation frameworks have been developed. Just as there are very diverse understandings of the nature of capacity in organisations and fields, there are significantly varied understandings of the nature of capacity building and different approaches to undertaking this work effectively.

Eade (1997) points to the way in which the use of the same language in different contexts raises a question about the meaning and utility of the term:

If it means so much to so many, does capacity building really mean anything to anyone ...? Is capacity building a precondition for, a by-product of, international cooperation? Is it synonymous with development? A means to an end or both? Or is capacity building just another piece of unwieldy jargon whose very imprecision disguises its emptiness? (Eade, p.2)

A distinction can be drawn between general accounts of capacity building and those that draw explicitly on an organisation development approach. This review describes those ‘generic’ forms of capacity building not explicitly located in an OD perspective (though in practice they may exhibit features of OD thinking). The review also gives an account of an OD approach to capacity building, shifting to use of the term ‘capacity development’ as being in keeping with the ethos of organisation development.

Forms of capacity building and capacity building interventions

Building diverse organisational capacities

There is a large range of capacity-building approaches—a continuum—that includes peer-to-peer learning, facilitated organizational development, training and academic study, research, publishing and grant-making. Adding to the complexity, capacity building also takes place across organizations, within communities, in whole geographic areas, within the non-profit sector, and across the sectors. It involves individuals and groups of individuals, organizations, groups of organizations within the same field or sector, and organizations and actors from different fields and sectors. Capacity building takes place amid everything else that is going on in a nonprofit’s experience, and it is very difficult to isolate a capacity-building intervention from all the factors that lead to it, happen during it and proceed afterward. (Linnell, 2003, pp. 13, 14)
As noted in section 1, Linnell describes the extensive set of functionalities that make up overall organisational capacity and goes on to propose that capacity building can apply to the development of any of these. She asserts that ‘for organizations, capacity building may relate to almost any aspect of its work’ (Linnell, 2003, pp. 13-14).

In the CB literature there are many case-study examples that offer lessons about what to do, based on particular local experiences of CB interventions. INTRAC (the International NGO Training and Research Centre) provides a typical example in a recent (2011) newsletter ‘Empowered to influence: capacity building for advocacy’ (see: http://www.intrac.org/data/files/resources/699/ONTRAC-47.pdf). The newsletter contains more than one list of what to do, based on reporting experiences in national, people-centred, and extractive industries advocacy. Amongst the suggested actions are: access credible data, raise public awareness, involve communities, influence governments, create collaborative networks, ask good questions, develop a model of change (such as ‘innovate, advocate, replicate’), understand hidden or invisible power, and develop staff with facilitation and diplomacy skills.

Capacity building as building ‘capacity domains’

UNDP describes the four ‘capacity issues’ or domains of organisational capacity where most changes in capacity take place as:

- Institutional arrangements
- Leadership
- Knowledge
- Accountability.

They assert that the drivers of capacity change can be located in these four core issues. They propose that an assessment of capacity should at least consider all of these issues.
Capacity building and hierarchies of capacity

Several authors (e.g. Honadle, 1981; Kaplan, 2000) describe organisational capacity as being constituted from a hierarchy of capacities and propose capacity building frameworks that reflect the hierarchies.

Honadle (1981) proposes that organisational capacity is defined, not as one entity, but as a set of capacities, including the capacity to anticipate and influence change, make informed policy decisions, develop good programmes to implement policy, attract and manage resources, and evaluate to guide action. Honadle offers a capacity building framework that addresses each of these aspects of capacity, providing a way of diagnosing and addressing organisational weaknesses and strengths.

As noted in section 1, Kaplan (2000) also proposes a series of interdependent elements that are essential to organisational capacity (which is not defined explicitly). He suggests that these form a hierarchy. Kaplan asserts that this 'hierarchy of interlocking elements' model cannot be applied in a simplistic way; it all depends on where an organisation is at a particular time and what kind of organisation it is. While the 'hierarchy' model is a guide, work is often needed at lower elements (building capacities in a range of organisational functionalities) to have an effect on higher elements (including strategic thinking, planning, collaboration and field-building).

Whilst much of the literature adopts a process perspective (capacity building for leadership, fundraising, or strategic planning), Sobeck and Agius (2007) describe a resource-based view that links capacity building to the attracting and managing of finite resources to achieve mission. This deals with the ‘capacity for what’ question. They develop the idea of different outcomes of capacity building in organisations (improving quality work, growing and strengthening adaptive capacity), and different timeframes for different outcomes: short term, intermediate (e.g. management competencies) or long term (improving sustainability). This introduces the possibility of a matrix of contingent approaches where capacity building is based on a theory of planned organisational change in support of organisational mission and designed through the use of tools such as logic modelling. This is in keeping with an OD approach to capacity building, as will be evident from the following account of OD literature.

The organisation development/capacity building relationship

Capacity building is a specific application of organisational development. However, an OD approach to capacity building has a set of particular characteristics that mark it out; not all interventions described in the capacity building literature reflect these characteristics. Thus capacity building interventions may fall within the generally understood tenets of OD or embody some other approach (which may or may not be made explicit). One may have to analyse accounts of capacity building to understand the underpinning beliefs, or draw inferences about the rationale for any particular approach to capacity building.
Both CB and OD literatures emphasise the need for political thinking to inform capacity building and organisation development and use tools such as stakeholder mapping and SWOT (Strengths, Weaknesses, Opportunities, and Threats) analyses to identify sources of influence on organisational change and performance. Overall, the CB literature pays less attention to organisation as a contested space in which a range of interests, needs, fears, desires and attachments are played out and where interventions need to be political. Broadly, a rational-empirical approach to change pervades the CB literature (Bennis et al., 1985), based on the assumption that if people are presented with evidence and the rationale for change, they will change. Coupled with this, the CB literature leans towards a view that individual development (whether of people or organisations) is an appropriate and effective mechanism for whole system and field development, as if the agency of individual farmers or health charities can overcome institutional forces.

CB and to some extent OD literature can also be caught up in believing in the universality of the models and approaches they devise. A contingency perspective is much more evident in the OD literature (although sometimes not so much in practice!), where there is more awareness that one size does not fit all. Useful models of the environment and practice fields, and thoughts about ways of working with them effectively, are missing from much of the capacity building world.

These definitions demonstrate the origins and critical features of much OD thinking:

"Organizational development is a long-term effort led and supported by top management, to improve an organization's visioning, empowerment, learning, and problem-solving processes, through an ongoing, collaborative management of organizational culture – with special emphasis on the consultant-facilitator role and the theory and technology of applied behavioral science, including participant action research."


"OD is a system-wide process of data collection, diagnosis, action planning, intervention, and evaluation aimed at: (1) enhancing congruence between organizational structure, process, strategy, people, and culture; (2) developing new and creative organizational solutions; and (3) developing the organization’s self-renewing capacity. It occurs through collaboration of organizational members working with a change agent using behavioral science theory, research, and technology."

Beer, M (1980),

And one that incorporates OD into capacity building:

"Organization Development is a term most commonly used when referring to building capacities of an organization ... OD is an ongoing systematic approach of continuous learning to improve the ability and the capacity of Red Cross and Red Crescent Societies to make the most effective and efficient use of their available human and financial resources to achieve the humanitarian purposes of the Movement in a sustainable way."

Key features of an organisation development approach

As these descriptions make clear, key features of an OD approach are the focus on organisational learning, change management, use of behavioural science theory, and the alignment of organisational processes with outcomes. The OD approach emphasises the long-term nature of the task of building organisational effectiveness, and has a core focus on the idea of a cycle of planned change.

The NTL Handbook of Organization Development and Change: Principles, Practices, and Perspectives (Jones & Brazzel, 2006) describes how OD comprises three primary sets of knowledge and an underlying value system:

To develop organisations requires three sets of knowledge:
- Understanding social systems: from a range of perspectives, theories and metaphors that will enable change agent and client to understand the social system and what needs to be done.
- How to change social systems: drawing on knowledge from economics, psychology, psychoanalysis, anthropology, training, sociology, politics, and education.
- Third party change agent role: whereby the OD practitioner is not ‘in charge’ of the client organisation and therefore needs to work with the political, psychological, economic and social dynamics associated with a negotiated position.

Four key value orientations inform the underlying philosophy of OD and prescribe its approach to practice:
- Humanistic Philosophy: people have the capacity to change through self determination rather than external coercion or internal compulsion.
- Democratic Principles: rejects the notion of elites in favour of broad involvement in decision making and direction setting.
- Client-centred consulting: the role of the practitioner is to help (though not collude) with the client system in self directed change efforts.
- Evolving socio-ecological systems orientation: aims and outcomes should not be defined in relation to single individuals, groups or organisations but more broadly, even globally.

Jones & Brazzel, 2006

So what is an intervention? The CB literature doesn’t have much to say about this explicitly, but OD does. From an OD perspective, a capacity building intervention is viewed as a change management intervention, focused on organisational effectiveness.

Cummins and Worley (2001) incorporate the National Training Laboratories sets of knowledge and values in their four-fold typology of OD interventions. They define an intervention as, ‘a set of sequenced and planned actions or events intended to help the organisation increase its effectiveness’. They describe four main types of interventions in OD:

**Strategic Interventions** that aim to address concerns about Organisation – Environment relationships and whole-system transformations; for example, strategic and business planning and culture change.
**Techno-Structural Interventions** that aim to address concerns about organisation and work design, technology changes and employee involvement; for example, through downsizing, out-sourcing, in-sourcing, mergers, partnerships, divestment, quality management, and process re-engineering

**Human Resources Management Interventions** that aim to address concerns about organisational performance and individual needs and development; for example, through reward and recognition policies and practices, personnel and career development, workforce planning, diversity, and wellness practices

**Human Process Interventions** that aim to address concerns about interpersonal and group processes and the design and impact of organisational processes; for example, through mentoring, coaching, counselling, morale raising, conflict resolution, and team building.

How do capacity building interventions map onto this typology? The following chart shows a short sample of capacity building approaches already mentioned in this review against the Cummings and Worley intervention typology.

Table 1 shows how good CB practices, as reported in the philanthropic literature, often draw on all OD intervention types as described by Cummings and Worley. We might infer that there is significant awareness of and knowledge about these discrete interventions among those concerned with building capacity. There is less evidence in the CB literature of knowledge about how to put these interventions together to achieve organisational change.
### Capacity Building Approach

Kaplan (2000).

UNDP defines capacity as ‘the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner’. CB is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time.

The Impact Alliance describes capacity building as ‘work done to improve and strengthen what already exists’ and that any organisation must demonstrate five fundamental ‘capacities’. http://www.impactalliance.org/ev_en.php?ID=6902_201&ID2=DO_TOPIC


International Research Development Centre Canada. The aim of capacity development is to improve the potential performance of the organisation as reflected in its resources and its management. http://www.idrc.ca/en/ev-43616-201-1-DO_TOPIC.html

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### Table 1: Capacity building practices as organisation development interventions

<table>
<thead>
<tr>
<th>Capacity Building Approach</th>
<th>Strategic Interventions</th>
<th>Techno-Structural Interventions</th>
<th>Human Resource Management Interventions</th>
<th>Human Process Interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaplan (2000).</td>
<td>Vision and strategy: sense of purpose. Conceptual framework – understanding of organisation’s position in the world.</td>
<td>Organisational structure: clear roles, functions, lines of communication, decision-making processes Material Resources – The final important ingredient is the financial backing, office space, equipment etc.</td>
<td>Individual skills, competencies.</td>
<td>Attitude – being accountable for role taken and expecting to have impact.</td>
</tr>
<tr>
<td>UNDP defines capacity as ‘the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner’. CB is thereby the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time.</td>
<td>Situation Analysis. Vision creation. Policy and strategy formulation. Institutional Reform.</td>
<td>Multi-stakeholder dialogue/engagement. Accountability mechanisms.</td>
<td>Leadership Development. Monitoring and Evaluation.</td>
<td>Mindsets, norms, values. Incentive systems. Learning and knowledge services.</td>
</tr>
</tbody>
</table>
Capacity building or capacity development?

For some experts working from an OD perspective, capacity development is the preferred term, incorporating learning from experience that capacity building needs to be a dynamic and relational process if it is to be sustained. The American Red Cross takes this position in a recent presentation: ‘Organizational Development: A Global Framework for Facilitating Local Change’ (see: http://www.powershow.com/view/151b73-MDc3O/Organizational_Development_A_global_framework_for_facilitating_local_change_powerpoint_ppt_presentation)

This approach locates capacity building firmly within the field of organization development, whilst emphasising some specific attributes:

- Involvement of stakeholders
- Performance accountability
- Local ownership
- Sustainability through alliances
- Development of societies.

The first three are characteristic of much OD practice. The last two are more particular to CB practice.

More evidence of a shift from the idea of capacity building to capacity development (Gill & Whittle, 1993; Abrahamson, 1991) comes from the UN. Moving from their 1998 definition of capacity as ‘the abilities, behaviours, relationships, and values that enable individuals, groups and organisations at any level of society to carry out functions or tasks and to achieve their development activities over time’, UNDP now prefers to use the term capacity development rather than capacity building, where capacity development is defined as ‘the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time’ (UNDP, 2008).

Introducing the idea of ‘capabilities’

Rather than adopting the language of capacity development, The World Bank introduced a distinction between ‘capability’ and ‘capacity’, where capability is ‘the ability to undertake and promote collective action of whatever nature and its consequences’ and capacity is ‘the ability to use available capability to meet concerns and objectives of society’ (1997, p.3).

Understanding capability as having something to do with collective action resonates with the notion, found in the OD literature, of capability as embedded in organisational routines, customs and practices. Here, capabilities are organisation-specific resources (Prahalad & Hamel, 1994; Teece, Pisano & Shuen, 1997), learned over time and not always in a planned or explicit way, that constitute both organisational culture (the way things are done) and expertise (know-how). Capabilities differentiate organisations and groups of organisations, conferring performance advantages. Capabilities also constitute barriers to entry to new
players coming into the sector who have not acquired the requisite knowledge, whether in their technical, social or strategic systems (Trist, 1981; Mintzberg and Quinn, 1991).

**Distributed capabilities**

Empirical work, particularly with manufacturing and construction industries and on regional development policy, has demonstrated how capabilities are distributed throughout a supply chain or enterprise network (Womack et al., 1990, Smart et al., 2007, Birkinshaw et al., 2007) wherein survival, growth and performance enhancement of the collective depend on the development of meta-capabilities – knowing how to organise the strategic and operational capabilities residing in different agents into innovative and viable configurations. This is relevant in the context of field building.

**Capacity development as change management**

Working from an OD perspective, managing capacity development can be thought of as change management, thus linking to and drawing on the extensive body of change management literature. Five properties that are found, implicitly or explicitly, in any organisational change intervention are:

1. A basic metaphor of the nature of organisation (e.g. a machine, a computer, an organism)
2. An analytical framework to understand the change process (adaptation, complexity, organisation learning)
3. An ideal model of an effectively functioning organisation that specifies (a) a direction for change and (b) values to be used in assessing the success of the change intervention (e.g. decay to renewal, criminal to legitimate)
4. An intervention theory that specifies when, where, and how to move the organisation closer to the ideal/desired (e.g. cycle of planned change)
5. A definition of the role of change agent (e.g. expert, trusted adviser, consultant)
6. Some anticipation of social dynamics to be attended to (fear of the unknown, disruption of routine, loss of control, loss of face, loss of benefits, changes in organisation’s compacts with employees, threats to identity or security, competition). (Adapted from Dunphy, 1996, p.543)

An effective intervention is:

- Relevant to the needs of the organisation
- Based on knowledge of the relationships between interventions and intended outcomes
- Developmental, and transfers competence for change to organisation members
- Mindful of:
  - Client’s readiness for change (history and resources)
  - Client’s change capability (‘absorptive capacity’)
  - Client’s context (internal and external)
  - Capabilities and capacity of the consultant/change agent.

(Cummins & Worley, 2001)
While CB literature does not usually adopt a change management perspective, a study by the University of New South Wales (NSW) Australia does relate to change management thinking:

**Recommendations for change management strategies to drive effective change for capacity building in general practice:**

1. Should be grounded in relevant learning and behavioural theories;
2. Should be determined by the required result and time frame needed to bring about change;
3. Will usually be required in different combinations depending on different phases of the project, i.e. dissemination vs. implementation;
4. Should consider limited financial incentives, with clear benchmarks, in combination with other strategies as this has proven to be a highly effective change management technique;
5. Will need to be planned, developed and communicated in concert with RACGP and other key stakeholders in the profession as complementing existing initiatives to improve the efficiency and effectiveness of clinical care and to support more sustainable general practice;
6. Will need to foster engagement with general practice through the divisions, as shown from previous experience that, in combination with financial incentives, practical education, and a high level of support they can enhance GP skills including IM/IT;
7. New initiatives should be consistent with and build on existing skill sets obtained by general practice, such as the PDSA. Such an approach is likely to facilitate implementation and adoption rates and provide positive reinforcement for the change;
8. Need to address and mitigate barriers to change such as lack of time, training and motivation. Financial or other disincentives for resistance to change needs to be considered;
9. Implementation for quantum level change related to IM/IT projects should be proven in pilot programs in divisions with past experience of rapid and successful change management experience.

*Information Management CB Literature Review* (Centre for Health Informatics, University NSW Australia, 2008).

**Cycle of planned change**

Reflecting current thinking on effective sequencing of organisational interventions aimed at developing capacity, many approaches make use of OD’s cycle of planned change, with variations. UNDP (2008) describe such an approach, using their proposed assessment of capacity. This is described below in Figure 5: The Capacity Development Process (UNDP, 2008). This is necessarily schematic and risks oversimplifying a process that is almost certainly more iterative and messy than the figure can depict.
Figure 5: The Capacity Development Process (UNDP, 2008)

But change interventions do not always succeed. In ‘Failure of Change Efforts – What to Look out For’ (http://lencd.com/data/docs/232-Concept%20Note_Institutional%20Reform%20and%20Change%20Management-.pdf, 2006, pp. 22-24), UNDP identify a number of reasons for the failure of planned change:

- Failure to understand the institutional and organisational context, including power differentials, cultural constraints and individual motivations
- Failure to make a compelling case for change that can be supported by key stakeholders and influencers
- Failure to create a sense of urgency amongst supports and leaders of change
- Failure to craft an implementation process that attracts different points of view to create a critical mass committed to the changes planned
- Failure to create a vision to direct the change effort that touches people
- Failure to recognise obstacles to change and to seek new remedies to old and to new problems
- Failure to persevere and maintain focus on change in the miserable middle
- Failure to attend to the dynamics of personal and organisational transition through coaching, containing, and celebrating
- Failure to convene a guiding coalition to steer, nurse and drive the change
- Failure to address the ‘soft’ aspects of change, values, meanings, trust
- Failure to put assessment and measurement systems in place
- Avoiding the shame rather than embracing the inevitability of failure as a route to learning.
Summary

The literature highlights how capacity building is itself a contested term, and how a range of models, methods and tools have developed over time. The diversity of models and interventions reflects thinking on the range of organisational capacities: capacity building can apply to any specific function of an organisation, or to the whole system, or (as will be discussed in section 4) to a wider social field.

Authors making the case for an overarching systemic framework of organisational capacity propose that capacity building should be based on a related systemic framework for diagnosing and addressing organisational strengths and weaknesses. Authors that posit a hierarchy of organisational capacities, including higher level and often invisible capacities, suggest that the interdependencies among these must inform capacity building.

An organisation development (OD) approach recognises the organisation as a contested space and not a fixed entity: it foregrounds particular features of capacity building such as vision, empowerment, stakeholder participation, and managing organisational learning and knowledge. The OD approach favours the language of capacity development over capacity building as reflecting the longer-term investment in organisational change, and suggests that the focus of intervention should be on sequenced and planned change initiatives.

This concept of capacity development as change management links capacity development to the extensive literature on what is needed for successful change initiatives and what leads to failure.
Section 3: Developing Sustainable Capacity

Overview

In this section, we look at what the literature says about sustaining capacity. The notion of sustainability is embedded in all the material on capacity development in earlier sections, as it engages with questions of how to build effective organisations through capacity development. In this section, we draw out some specific learning in the literature about features of sustainable capacity development. This section brings together material from the literature about sustainability. It draws attention to key features of capacity development approaches that are regarded in the literature as critical for sustainability and looks at characteristics of organisations that impact on their likelihood of engaging in sustainable capacity development.

Developing sustainable capacity

Sustainability has become a buzzword par excellence (Scoones, 2010). It is firmly embedded as an element of routine capacity building such that sustainability is now typically ‘part of the implementation continuum’ (RMC, 2007. p.14). But following Rio 1992, sustainability quickly became mired in the ‘managerialism and routinised bureaucratisation’ of ‘action planning, indicator monitoring, and sustainable development projects’ (Scoones, 2010, p.160). Definitions of sustainability can be intangible and difficult to operationalise:

_Sustainability is the ability of a program to operate on its core beliefs and values ... and use them to guide essential and inevitable program adaptations over time while maintaining improved outcomes. (RMC Research Corporation 2007, adapted from Century & Levy, 2002, 4, at: http://www2.ed.gov/programs/readingfirst/support/litreview.pdf)_

What enables a programme or project to stay true to itself and to adapt while continuing to perform?

In a study on school reform (Datnow, 2005), findings indicated that ‘many schools could not sustain their reform programmes because they had done little practical planning for monitoring the implementation and progress of the program over time’. Thinking about sustainability, asking the ‘what do we do when’ questions (next year, in five years, if and when this or that happens) affects an organisation’s ability to sustain itself and the reforms with which it is associated.

Recent research argues that understanding and being active in the institutional environment are also essential (Heslop, 2010). Becoming a prospector rather than a reactor (Miles & Snow, 1978) in a field or sector brings opportunities to shape and create the institutional context rather than having to cope with or be oppressed by it. Many of the actions included under the heading of sustainability could probably be labelled as strategising or good risk management.
When should thinking about sustainability start? Views are divided. When thinking about sustainability as risk management, philanthropies invest much time and energy in identifying ‘good bets’ for investment upfront. The proposal has become the main mechanism for delivering sustainable change, along with various approaches to organisational audit (e.g. USAID Organizational Assessment Tool, 2006). This front-end activity is followed by programme and project support activities and an armoury of devices to monitor outputs and impacts. Some organisations have made their experience of striving for sustainability in capacity building publicly available. The examples below from USAID and RMC are typical:

- For on-the-ground, lasting results, projects must include training components so that host-country nationals will be able to manage and maintain the project. For this to occur, there must be incentives for the host-country practitioner of the project to become its manager.
- Leveraging works best when all donor partners are present at all stages of a project from its definition and design through its implementation. There is a need to build institutional partnerships in developing countries between donor parties, country officials and the private sector.
- Replicating model projects has proven to be a cost-effective and time-effective means of bringing the successes and lessons learned from one country to another. Care must be taken to tailor the projects to the specific needs of the country.
- Projects that are developed jointly by several organisations must be housed with one specific organisation. This approach will give one group the ultimate responsibility to supervise the successful implementation of the project.
- It is preferable that policies needed for project implementation be in place before the projects are implemented. However, project development and policy/regulation formulation activities can concurrently be implemented. It is important to note, though, that without the appropriate policy environment, projects will not be sustainable.

- Sustainability is possible when full implementation has been achieved.
- Sustainability is based in the right organisational culture and leadership.
- Sustainability always includes identification of critical elements of the (education) reform in question.
- Sustainability requires continuing adaptation—not freezing a programme in time.
- Sustainability must be approached from a systems perspective.
- Sustainability can and should be planned for and evaluated, and this should begin as early in the program life as possible.
- Sustainability is only partly contingent on replacing funding.

Reading First Sustainability Literature Review, RMC Research Corporation and US Dept of Education 2007 p.4
What might indicate that sustainable capacity building is being achieved? Implicitly, sources differentiate between short-term, even immediate, indicators usually associated with identifying the ‘good bet’ when selecting a programme or proposal for support, and longer-term indicators of sustainability. Short term, much use is made of ongoing audits of leadership, management, finances, human resources, etc., and other functions and processes to assess fitness for capacity building purposes. Such an audit is an element of Google’s ‘Strategic Philanthropy for Beginners’ (http://www.youtube.com/watch?v=yaflpzu63f8). Some thinking has been done about longer-term measures of sustainability. Management Sciences for Health offers the following list of what to look for that demonstrates a shift from a focus on internal processes and sound organisational practices to a concern for an organisation’s external relations and positioning in regard to resources, knowledge and role:

- Diversifying funding sources, and perhaps beginning to rely more on local sources of funding
- Continuing to serve substantial numbers of clients with products and services that are needed
- Building, nurturing, and sustaining effective partnerships
- Gaining control of organisational change and achieving self-independence without being tied to the generosity of others outside our communities
- Innovating, sharing, and disseminating what we know works (see: http://www.msh.org/blog/2011/03/22/linking-sustainable-capacity-building-activities-to-organizational-sustainability).

From their work in school and educational reform, RMC also share their experiences of sustainability:

- Decide what is to be sustained: name it, label it and make it relevant to those who are expected to make it happen
- Create a sustainability plan as early as possible in the project/programme lifecycle that includes a common vision, methods for effective internal and external communication, present and future management, and evaluation systems (Bryant, 2002)
- The ability for professionals and practitioners to modify a new practice greatly increases the likelihood that the practice will be sustained
- Don’t expect everyone to be in the same place at the same time. Think in terms of a ‘continuum of concern’ (Hall & Hord, 2006, p.5) from unaware to expert
- If the environment for the project or programme is hostile, think of using capacity building efforts through incubator or demonstration projects. These can be adapted as understanding and learning about what works over time is developed
- Involve existing and, wherever possible, any potential future stakeholders in governance structures and activities to enfold the organisation, project or programme into its field. This works to distribute capacity across boundaries and defend against losses of leadership in particular projects or organisations
- Manage resource dependency (whether of funding, people, access to information or networks) and invest in building multiple suppliers.

Another low-cost way of nurturing curiosity is by building networks across organisations and communities that would not usually come together (Holti & Whittle, 1998). Capacity to sustain performance and grow presence in a field might be thought of as demonstrating capacity-building capacity.

**Key approaches that help successful capacity building**

At a ‘micro’ or organisational level, the literature on capacity development addresses a number of approaches that help to ensure sustainable capacity and whose absence may hinder. These include:

- Paying attention to context
- Investing time
- Sequencing planned change
- Evaluation
- Working with stakeholders
- Absorptive Capacity and managing new knowledge
- Doing capacity building to the organisation
- The role of the change agent.

**Paying attention to context**

Commentators on capacity building underline the importance of linking capacity building strategy to the context of an organisation. The reality of an organisation, in terms of its level of maturity, size, status, and stage of organisational development shapes the analysis of need in relation to a range of capacities (Kaplan, 2000, p.522).

It is useful to note that CB literature often refers to ‘context’ as a static phenomenon that, once accommodated or diagnosed, can fall into the background. In contrast, Horton (1999) recognises that ‘capacity building is more a process of social experimentation than of social engineering’. This can benefit from an ‘action learning approach’, to accommodate the ongoing shifts that might be expected from what is always a political context in a state of flux.
Investing time

It is clear from the literature that CB does not happen instantaneously nor does it tend to happen as planned. There are lags and delays: some stakeholders take longer to come on board; an unanticipated event diverts resources and attention or renders initial plans obsolete; the initial assessment and diagnosis of what needs to be done/what can be done is found to be unrealistic or incorrect; new opportunities arise if only actions can be moved forward.

A 2003 report by the Effective Communities Project at The Brookings Institute concluded that ‘capacity building needs at least three years to give organisations time to implement projects, begin to see evidence of impact, and reflect on the meaning and applications of project experiences to other efforts’ and that ‘the most obvious reason why capacity building doesn’t “just happen” [is] most nonprofits haven’t the time or money to invest in capacity building efforts’. And yet time is rarely addressed explicitly in the CB literature – other than as a training issue in time management. Time also refers to timing, that sense that activities, progress, and outcomes can be early or late, on time or premature. This requires a model, in the mind at least, of what is planned to happen when, to accord with stages in the CB process. A sense of timing can then be brought to bear on how appropriate is the pace of intervention.

Sequencing planned change

As noted in section 3, OD uses a well-known model, the cycle of planned change, to enable change agents and other stakeholders to take stock of where they are in an intervention sequence to make judgements about the ongoing timeliness of their change efforts. Depending on which version of the model is used, the cycle comprises the following stages: scoping, entry, contracting, data collection, diagnosis, intervention design and planning, implementation, evaluation, institutionalisation, and ending.

Whilst the model is presented as a linear sequence, it is useful to think of jumping across stages out of sequence, of reversing, and of stages happening in tandem or not at all. CB would benefit from conceptualising stages and phases of this type. (See: http://organisationdevelopment.org/five-core-theories-action-research-theory-organisation-development/ and http://aled.tamu.edu/440/READ%20%20Change%20Theory%20Article.pdf). Working across organisational or inter-organisational boundaries, for example, disappointing and difficult relationships, unanticipated events, and cost creep are some of the factors that change the ‘hoped for’ into the ‘unrealised’ over time.

Evaluation

Evaluation is acknowledged as an intrinsic and valuable part of any planned change, whether project or programme, focused on group, organisation or sector (Kolb, 1984). Although labels vary (review, audit, process evaluation, cost-benefit evaluation, impact evaluation), the evaluation literature is large and growing, reflecting or perhaps driving practice.
Evaluation is the systematic determination of significance and progress of a policy, programme or projects in causing change. It is distinct from monitoring which is the process of collecting evidence for evaluation.


Without evaluations, it is all too easy to become stuck in a capacity building Groundhog Day as ‘broken learning cycles’ (Drew & Smith, 1995) condemn communities, funders and managers to reproduce past choices and experiences. And yet the impact of evaluation on organisation learning and the changes in practice is thought to be pretty low (Skinner, 2004; Reichers et al., 1997). Effective evaluations that provide credible, reliable and applicable data for those involved in capacity building need:

... strong financial and political support; early and careful planning; participation of stakeholders in the design of the objectives and approach of the study; adequate data; a suitable mix of methodologies, including both quantitative and qualitative techniques; the rigorous application of these techniques; and communication between team members throughout the process. (Baker, 2000, foreword)

In the last decade, interest and practice have moved away from expert models of evaluation as comprising the checking of documentation and implementation followed by appraisal of outputs and outcomes, to more participatory and theory-based approaches. A theory of change (ToC) approach to evaluation seeks to understand how and why something works (Weiss, 1995) by involving stakeholders in the design and execution of the evaluation contiguous with the capacity building intervention(s). A good ToC draws on existing program experience, stakeholder insights and a range of empirical and theoretical knowledge, to ensure that it is:

- **Plausible**: Do evidence and common sense suggest that the activities, if implemented, will lead to desired outcomes?
- **Doable**: Will the economic, technical, political, institutional, and human resources be available to carry out the initiative?
- **Testable**: Is the ToC specific and complete enough for an evaluator to track its progress in credible and useful ways?


From this perspective, a project or initiative has worked if:

- A plausible ToC has been derived that describes anticipated changes (including incremental and intermediary changes) in desired outcomes from a specified base line
- Intended activities have been implemented as designed (with the required scope, duration, etc.)
- The extent of the changes is as predicted (e.g. in scale and scope)
- The unplanned impact of incidental, environmental and contextual influences can be discounted.
It is often claimed that the process of constructing theories of change and of surfacing the range of perspectives and assumptions informing actions can support participatory capacity building and collaboration across constituencies (Brown, 1995). To this end, theory of change approaches to evaluation often utilise logic modelling (Centre For Effective Services, 2011, see: www.effectiveservices.org/seminar-series/practice-seminar-2) where causal links between intended inputs and desired outputs (actions and impacts) are purportedly known. As such, evaluations employing ToC can be perceived as a conservative force, restricting capacity building efforts to those initially prescribed, rather than those that emerge in action. (Mason & Barnes, 2007). As the notion of ‘evaluation as intervention’ has become recognised, interest in evaluation capacity building has developed and along with that a literature (see for example Compton and Baizerman, 2007. A checklist for evaluation capacity building by Bolkov and King, 2007, is available at http://www.wmich.edu/evalctr/archive_checklists/ecb.pdf).

In a series of papers on the design and functioning of High Reliability Organisations (HROs) Barton and Sutcliffe assert that ‘reliable organizations are sensitive to and constantly adjust to small cues or mishaps that if left unaddressed, could accumulate and interact with other parts of the system, resulting in larger problems. By constantly adapting, tweaking, and solving small problems as they crop up throughout the system, organizations prevent more widespread failures’ (Barton & Sutcliffe, 2009, p.1330). This ‘ongoing adaptation’ requires a different approach to evaluation than that found in much of the social policy and development literatures.

To respond to ‘small cues by making small adjustments’ (ibid.) requires evaluation to be real time and continuous, not a discrete and off-line activity. Whilst evaluation as a specialist and bounded activity can be useful for accountability and as input into rethinking longer-term strategy, more mindful evaluation is required to steer capacity building efforts through complex and contested contexts and to keep actions and alliances on track. One way to do this is to implement all strategies for change as ‘a stream of projects’ (Cleland, 1995) where projects are knowingly ‘temporary organizations whose structures either may or may not reflect that of the performing organization’ (Bourne & Walker, 2005, p. 166).

Such an approach legitimates vigilant critique of planned changes such as capacity building and may help to overcome the bystander problem (Levine, 1999). Here, development and sustainability are threatened when, despite things not going as planned or worse, failing, those involved do not speak up or take any actions.

**Working with stakeholders**

Who is and who is not considered a stakeholder in capacity building work will clearly have an impact both on process and outcomes. Having identified stakeholders, the next question is: what kind of stakeholder? CB literature is bulging with who should/could be involved, participate, and be consulted and yet modelling of stakeholders to inform risk management and intervention design is pretty thin on the ground. (See: http://www.earthsummit2002.org/es/preparations/global/capacity%20building.pdf and http://commdev.org/section/_commdev_practice/stakeholder_capacity.)
Section 3: Developing Sustainable Capacity

Egan (1994) offers the following types of stakeholders: fence-sitters, allies, bedfellows, loose cannons, the voiceless, opponents and adversaries, all of whom need different interventions strategies. In OD, these would be subject to analysis and allocated to one quadrant or more in the following model:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Hi interest</th>
<th>Lo interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hi Influence</td>
<td>Co-opt these stakeholders</td>
<td>Recruit these stakeholders</td>
</tr>
<tr>
<td>Lo Influence</td>
<td>Manage these stakeholders</td>
<td>Be mindful of these stakeholders</td>
</tr>
</tbody>
</table>

**Absorptive capacity and managing new knowledge**

Capacity building can be thought of as the development of effective organisational practices or capabilities. This is limited by the absorptive capacity (AC) of an organisation, network or field. Put simply, AC refers to an organisation’s ability to recognise the value of new knowledge, assimilate it, and use it (Cohen & Levinthal, 1990). This ability is learned and honed, such that any entity becomes attuned to signals and indicators that suggest some types of knowledge are potentially more useful than others and worth investment, whether in new technologies, management practices, relationships or skill sets. There is a problem: AC can quickly diminish and the capacity, including the capacity to learn, can be lost. Like people, organisations tend to stick to what they know and this can seal off the potential to absorb new knowledge.

The ease, cost, benefits and risks of acquiring new knowledge (defined as ‘an idea, practice, or object that is perceived as new by an individual or other unit of adoption’) are identified by Rogers (1995) as shaping the diffusion of innovations in thinking and practices. Specifically, Rogers, a professor of rural sociology, refers to:

- **Relative Advantage**: How improved an innovation is over the previous generation
- **Compatibility**: The level of compatibility that an innovation has to be assimilated into an individual’s life
- **Complexity or Simplicity**: If the innovation is too difficult to use an individual will probably not adopt it
- **Trialability**: How easily an innovation may be experimented with as it is being adopted. If a user has a hard time using and trying an innovation this individual will be less likely to adopt it
- **Observability**: The extent to which an innovation is visible to others. An innovation that is more visible will drive communication among the individual’s peers and personal networks and will in turn create more positive or negative reactions.

**Doing capacity building to the organisation**

The literature reflects a strong tendency to regard capacity building as external ‘doing to’ through the expert application of explicit and codified knowledge (Nonaka & Taguchi, 1995).
There would seem to be limited awareness of the range of approaches and methods available for knowledge transfer. An exception is a method for institutional capacity building used by the Swedish International Development Cooperation Agency called ‘twinning’, as reported in Jones (2001). This moves away from an expert approach to methods based on socialisation through joint working and interaction with the aim of transferring tacit knowledge:

*Tacit knowledge is about practical experience, know-how and learning while doing. It reflects intimate understanding of incrementally evolving work environments, of what can lead to abilities acquired over time that become difficult to replace and which users take for granted because they become second nature.* (Mann, 1999)

Tacit knowledge, learned from others by doing, is not readily available to scrutiny. It is only visible in action and therefore can be dysfunctional, as anyone who drives a car will know if they try to teach someone else to pass the driving test.

**Issues of knowledge transfer and dissemination of learning** are significant influencers, shaping both capacity building and capacity for capacity building in grantee organisations, the Third Sector and the field of philanthropy. Having an understanding of how different forms of knowledge and learning about capacity building emerge and become codified or are lost, is important for each of these groups. The concepts of tacit and explicit knowledge (Nonaka & Takeuchi, 1995) seem to be of particular relevance:

![Figure 6: Tacit and Explicit Knowledge (Nonaka and Takeuchi, 1995)](image)

This model describes the process of codification required to raise tacit knowledge to explicit knowledge and describes the risks of loss involved in such codification.

**The role of the change agent**

What are the capacities needed for capacity building and where do they reside? Explicit reference to the type of change agent role(s) that are appropriate to capacity building efforts is relatively uncommon. (See Light & Hubbard, 2002, for an exception.) Agents include funders and grant makers, NGOs, consultants, research organisations, technologists, accountants, lawyers, health and other specialists, local, national and international grantees, and of course local communities and stakeholders. Imagining a model that accommodates the range of roles available to each of these agents hints at the
potential complexity involved in deciding what to do and the design of any capacity building intervention.

The literature deals with at least two distinct themes. The first concerns the kinds of skills needed for capacity development, and where those skills reside. The second theme addresses the role of funders as agents of change and how they exercise that role.

For Kaplan, capacity building interventions require the ability to deal with ambiguity, uncertainty, and paradox; to observe, listen, and overcome resistance to change; and to conceptualise and thus analyse strategy with intelligence. Kaplan critiques the manner in which capacity builders (itself a contested concept) are trained to deliver interventions, packages or programmes rather than respond to the unique developmental phase at which a particular organisation may be. This view is coherent with an OD approach to longer-term capacity development.

In a study of grant making for capacity building, Backer (2000) suggests that one of the core components for effective capacity building is the competence base of the change agent. The study found that the most effective capacity-building services are those that are offered by well-trained providers (both foundation staff and expert service providers) and requested by knowledgeable, sophisticated ‘consumers’ – the managers and board members of non-profit organisations.

Clearly, the question of whether a change agent is located inside or outside an organisation matters. Light and Hubbard (2002) note that funders rely heavily on external consultants as the main source of assistance with organisational improvement, but their study suggests that internal executives believe that building successful capacity does not necessarily require outside assistance. Honadle questions the use of external expertise to address specialist management issues. While not necessarily always inappropriate, he questions whether a ‘single focus’ approach to all management issues, called capacity building, can be feasible. Non-profit organisations may have limited experience of consultants, limited ability to know what they need or ask for what they need, and poor preparation for using consultants (Backer, 2000).

In terms of the dynamic of relationships, the OD practitioner or consultant in a third-party change agent role is not ‘in charge’ of the client organisation and therefore needs to work with the political, psychological, economic and social dynamics associated with a negotiated position (Jones & Brazzel, 2006).

A study of long-term capacity development (TCC Group, 2007) suggests that funders of capacity development initiatives need to play a part in the design and implementation of the initiative, with the role ranging from being hands on to hands off, depending on time, resources and internal expertise, and whether the funder wishes to have a close or distant relationship with the capacity building work. In an engaged approach, the study suggests that a funder with relevant OD expertise can develop mutually respectful relationships with the grantee. The study points to the power imbalance between funder and grantee, and the
challenge this presents for engagement, in terms of openness, trust and reciprocity. Using an outside intermediary may be appropriate where there is scarce funder time, in-house competencies in organisation development, or a wish for greater distance and objectivity. The study provides a detailed analysis of the pros and cons of different levels of direct engagement by funders in capacity development initiatives, and an appropriate strategy for managing the network of relationships.

When funders offer capacity development directly to grantees, this places them in a very different role than when their activities are limited to the more traditional philanthropic strategies of grant making, convening, etc. (Backer, Smith & Barbell, 2004). These authors suggest that ‘stakeholder involvement is needed to address issues such as creating adequate firewalls between the grant making and capacity building service sides of the foundation, and possibly unfair competition with other capacity building providers in the community’.

Walden (2004) proposes that direct engagement in capacity building by funders requires a re-examination of staff roles, and an expansion of the role of and resources for programme officers.

Summary

There is a time dimension associated with developing sustainable capacity. What enables organisations or programmes to change and adapt over time, and to know what is needed at any given time? The literature describes various approaches that take account of the unique characteristics of particular projects, such as building institutional partnerships in developing countries between donors, officials and the private sector.

The literature distinguishes between short-term indicators of sustainability based on audits of aspects of organisational life, and longer-term measures such as innovating, nurturing effective partnerships and attending to external relationships.

The literature identifies a range of features of sustainable capacity development that mirror an OD approach to sustainable change. These include paying attention to the context of an organisation – its size, status, stage of development; recognising that capacity development takes time and requires the flexibility to respond to the unexpected; working to a cycle of planned change, while recognising that the cycle may be interrupted by unplanned events, difficult relationships or shifts in funding or policy contexts.

Evaluation is highlighted as an essential element of effective capacity development; the shift is noted from a focus on measuring inputs and outputs towards a theory of change approach that seeks to understand what is working and why. This shift requires evaluation to happen in real time and to support a process of continuous improvement. The literature also emphasises the importance of managing learning and knowledge, without which key learning can be left untapped or lost.

All of these features have implications for the role of the change agent.
Section 4: Capacity Development in Social and Organisational Fields

Capacity Development where?

Much of the CB and OD literature identify ‘the organisation’ (an NGO, community group, social network, or global charity) as the conceptual boundary guiding capacity development work. The actual intervention boundary may be a subset of this ‘organisation’ (for example a specific operational group, a fundraising department, a leadership team, a key individual, or a financial reporting process). It is much less usual to include the field (that organisation population active in and shaping what happens in a particular domain, be that poverty, education, health, housing, in a specific territory) either in the conceptual boundary or even less so as the boundary for intervention. An exception that links micro and macro levels is the literature on social entrepreneurship (Light, 2011).

What is a field?

An organisation field is a symbolic term that identifies such a world or community of organisations that engage in a recognised area of organisational life (DiMaggio & Powell, 1983). In an organisation field, the relationships between members and agents, the aims and strategies they pursue, and the actions they take are governed by the dynamics of resources, of regulation, of fashion, of culture and the relationships of power and influence particular to that field. Some members of the community operate explicitly at a field level. Government departments and agencies, universities and professional associations all seek to shape regulation, the culture of practices, the fashion for innovation and what is judged as success in their fields.

Commentators observe the absence of a clear definition of ‘field’, in the philanthropic context, suggesting that both ‘field’ and ‘field building’ are abstract concepts without precise definitions (Bernholz, Seale & Wang, 2009). These authors do, however, go on to define a field as ‘a multidisciplinary area of specialised practice that engages diverse stakeholders’.

The Bridgespan Group (2009) offers a definition of field as ‘a community of organisations and individuals, working together towards a common goal and using a set of common approaches to achieving this goal’ (p.2). This definition, though appealing in its simplicity, may not take due account of the complexity of fields, be they naturally existing or constructed by a philanthropic body for a particular purpose. If powerful enough, perhaps because an organisation is very large or revered, or monopolises some resources, a member acting unilaterally can change a field. Without the power to influence regulations or fashion, or to push through changes by force of power, smaller organisations and those without a powerful voice may accept that they are subject to rules, relationships and agendas created by others in their field.

While much of the learning about organisational capacity and capacity development has relevance for building social fields, there are unique factors and dynamics that apply at field level, which need to be understood when seeking to develop capacity at that level.
Field building as a change strategy

Philanthropic organisations are generally committed to goals that aim to bring positive social change in a particular aspect of people’s life experience, or that impact in profound ways on the fabric of society, in an area such as human rights or equality. The goals may span a community or a country: they may relate to a particular population group, for example in the case of children’s wellbeing, or aim to bring beneficial change to all the members of a community or society as in the case of conflict resolution programmes or development programmes in famine stricken areas.

Literature suggests that foundations are uniquely positioned for a role in developing capacity at field level, but must adapt their approach to identify where their funds are likely to sustain the most impact, given the strengths and weaknesses of their philanthropy (Bernholz, Seale & Wang, 2009).

The literature on philanthropic efforts to achieve social change underlines the significance of field building as a change strategy that goes beyond the potential of working with individual grantee organisations. In their work on the development of a field building framework for American philanthropy, the Bridgespan Group (2009) observe that:

*Our nation’s leading foundations and nonprofits are committed to achieving compelling and far reaching goals … Many of them, however, have come to believe that their bold aspirations cannot be realised without a critical mass of organisations and individuals aligned and working effectively as a field … That’s why field building is a critical strategy for social change; it’s also why funders and nonprofits committed to large-scale impact know that they need to be intentional about strengthening the fields in which they operate. (Bridgespan Group, p.2)*

They argue that field building is important because it enables the organisations in the field to achieve greater social impact. There is support for weaker organisations, filled gaps in service, better understanding of peers working towards the same or similar goals, and improved communication and co-ordination among all those who are part of the particular field.

Oxfam (2010) recognises the problem of reliance on disparate projects to achieve change:

*A capacity-building approach therefore means getting out of Project World, focusing less on supporting scores of projects and more on seeing any intervention within the wider context of social and other kinds of change – local, national, regional, and global …Rather than viewing support for this or that organisation or activity in a fragmented or insular fashion, it is necessary to look intelligently at the whole web of social relations within which these organisations and their activities are embedded. (Oxfam, p.207)*

The view of field building as a core process in creating the capacity for large-scale social change is endorsed by other contributors (Bernholz, Seale & Wang, 2009):
Field building ... offers an opportunity to go beyond funding individual organisations or projects and to create a coherent strategy for change on a much larger scale. (Bernholz et al. p.1)

And:

Perhaps the most significant characteristic of field building is the focus on multiple institutions and strategies to address an issue. The work ranges beyond individual grants or institutional partners. It involves considerations of scale, exit strategies, and even sustainability, since field-building efforts frequently create mechanisms for future work. (Bernholz et al. p.2)

Sustainable change

In a paper entitled ‘Deeper Capacity Building for Greater Impact’ the TCC Group (2007) endorse the reasoning advanced by other authors in support of field building, but add a nuance that is related specifically to securing sustainability of a funder’s efforts into the future, even beyond the lifetime of the funding initiative. This paper focuses on ways of making organisations more stable and going beyond a time-bound approach, through provision of support to a cohort of organisations. They argue, however, that this work is significantly more complex than supporting capacity development with a single grantee organisation. In common with capacity development strategies at organisation and field level, the approach is based on a theory of change/logic model approach.

In the interests of sustainability, the authors suggest the following:

To maximise the extent of positive change after the initiative is finished, be deliberate about your exit strategy at the start of the initiative, and be open to changing it as the initiative evolves. You can enable participating organisations to institutionalise capacity building and sustain aspects of the work after the initiative is completed. Prevent the nonprofits from becoming dependent on outside help by ensuring that advisors transfer skills and provide tools – such as organisational assessment and programme evaluation instruments, manuals, templates and tools – for further use. (TCC Group, p25)

Approaches to field building

Organisations and fields co-evolve (Trist, 1981). To invest in developing capacity in an individual organisation without an understanding of the field(s) in which that organisation operates, or to attempt capacity development in fields without an appreciation of the field’s dynamics and impact on its members carries significant risks. Unintended consequences are the greatest risk for those seeking to change organisation fields.

There is overlap between the material on capacity development in organisations described in sections 2 and 3 of this review, and the concept of field building. Key approaches to capacity and capacity development have applications at either scale, including the idea of capacity development as change management, the idea of a hierarchy of capacities, and the OD focus on context, timing, logic modelling and sequencing planned change.
However, field building has its own particular set of considerations. The literature on field building tends to focus mostly on the developmental or initial process of building the network of members of the particular field, rather than on sustaining that field. Since field building is arguably a form of capacity development for effective social change, the thinking about how a field might be established in the first instance warrants attention.

Assessing the scope for field building

The Bridgespan Group (2009) offer a framework for assessing the needs and strengths of a field that a funder wishes to build, arguing that such an assessment process leads to more robust fields. They suggest that defining the field and its boundaries is the first critical step. The proposed framework can act as an assessment tool and as way of focusing developmental work. Its elements are shared identity, standards of practice, knowledge base, leadership and grassroots support, and funding/supporting policy.

<table>
<thead>
<tr>
<th>Shared Identity</th>
<th>Community aligned around a common purpose and a set of core values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standards of Practice</td>
<td>Knowledge Base</td>
</tr>
<tr>
<td>Codification of standards of practice</td>
<td>Credible evidence that practice achieves desired outcomes</td>
</tr>
<tr>
<td>Exemplary models and resources (e.g., how-to guides)</td>
<td>Community of researchers to study and advance practice</td>
</tr>
<tr>
<td>Available resources to support implementation (e.g., technical assistance)</td>
<td></td>
</tr>
<tr>
<td>Respected credentialing/ongoing professional development training for practitioners and leaders</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Strong Field Framework (Bridgespan Group, 2009)

OD literature also offers similar and additional insights into the assessment process. Questions that arise in scanning a (mainly pre-existing) field that arise from an OD perspective include:

- How interconnected are organisations in this field? Do they belong to associations, collaborate on research, work closely with others in supply chains, or compete individually and randomly? Are different members associated with distinct brands and approaches or is there little to change between them? Do a few large or key players set the agenda and the rules of the game or is it anybody’s game?

- How well defined is this field and how strong are the boundaries? Is the field highly regulated or not regulated at all? How easy or difficult is it to start working in this field? Are significant resources, contacts, expertise, and technology required, or is the field wide open to newcomers? Do some organisations act as gatekeepers, either by making resources available or legitimating/licensing new field members? Is member turnover high or low?
How static or turbulent is the field? Are the above characteristics changing quickly or not at all?

**Developing field capacity**

Bernholtz, Seale and Wang (2009) propose an approach to field building that is similar to the assessment framework suggested by the Bridgespan Group. They offer six design activities for building a field, drawing on research and experience of philanthropic organisations. The principles (p.5) are described as follows:

- **Recognise the philanthropic opportunity**: taking advantage of the philanthropic opportunity and assessing its potential is seen as vital to success
- **Establish a research base**: creating a core set of shared beliefs is a primary component of a field
- **Prioritise sets of actors and networks**: bring together disparate players and help them to achieve legitimacy
- **Develop and adopt the right standards**: these may include agreed definitions, quality standards (which set boundaries), and standards that allow for innovation and expansion
- **Share knowledge**: without a commitment to sharing information, research won’t progress, practices and lessons won’t be shared and collaboration won’t occur.

The authors suggest that these activities offer a framework rather than a recipe. They suggest that the interplay between the activities can be important at each stage of field building. As was the case with capacity development, the authors emphasise the importance of context, time and timing. They suggest that networks (and networks of networks) allow for organised and logical relationships among a field’s participants:

*This complex web of relationships and joint projects has many benefits; it brings together broad bases of support, helps to catalyze new ideas, makes product lines more efficient and provides better feedback mechanisms. (Bridgespan Group, p.12)*

In a subsequent paper, Bertholz and Wang (2010) suggest that ‘field building inherently involves the consideration of an entire ecosystem of organisations, and often emphasises work at the intersection of organisations’ (p.2.) They identify key ways in which the ‘organisation mindset’ differs from the ‘network mindset’ (Table 3).
Table 3: Defining a Network Mindset (Bernholz & Wang, 2010)

<table>
<thead>
<tr>
<th></th>
<th>Organization Orientation</th>
<th>Network Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mindset</td>
<td>Competition</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Strategy for Impact</td>
<td>Grow the organization</td>
<td>Grow the OST sector</td>
</tr>
<tr>
<td>Typical Behaviors</td>
<td>Compete for scarce resources</td>
<td>Increase the funding pie for all</td>
</tr>
<tr>
<td></td>
<td>Protect knowledge</td>
<td>Share knowledge</td>
</tr>
<tr>
<td></td>
<td>Develop competitive advantage</td>
<td>Develop skills of competitors</td>
</tr>
<tr>
<td></td>
<td>Hoard talented leadership</td>
<td>Cultivate and disperse leadership</td>
</tr>
<tr>
<td></td>
<td>Act alone</td>
<td>Act collectively</td>
</tr>
<tr>
<td></td>
<td>Seize credit and power</td>
<td>Share credit and power</td>
</tr>
<tr>
<td>Structure</td>
<td>Centralized (siloved)</td>
<td>Decentralized (matrixed)</td>
</tr>
</tbody>
</table>

Change in an established field – understanding the dynamics of ‘fields’

Much of this material addresses the deliberate establishment of a field by a philanthropic funder for the purpose of securing a desired social change. However, two further considerations must be taken into account in thinking about capacity development at field level. Firstly, funders may work in pre-existing fields of activity at a community or national level. Secondly, even a field built in response to a desire to secure lasting impact and outcomes will demonstrate its own dynamic and be influenced/governed by features of organisational life and inter-organisational relationships. Learning from OD can offer insights into how fields work and, in particular, how they change, as an emergent process. In seeking to build capacity at field level, an understanding of these dynamics is important for funders.

Fields change in three main ways:

- Through the individual actions and choices of field members
- Through planned interventions at field level
- Through collective reaction to crises.


Individual actions and choices of field members

As was noted in sections 2 and 3 of this review, individual organisations survive and prosper in any particular field depending on their capacities to do work, to organise themselves and to shape their future. Organisations develop these capacities to varying degrees and at different rates, depending on their access to resources, and their ability to use opportunities and defend against threats. The impact of these capacities is mediated by the dynamics of the field. In a highly regulated and interconnected field, a small and/or new organisation will stand little chance of changing the field unless it can offer revolutionary ways of relating to
other members. In a relatively static field, members can cluster together and pool their resources to change the way things are done.

**Planned interventions in fields**

Because fields develop over time, they tend to change slowly, through technological innovations, changes in regulation, and as the fates of powerful organisation members rise and fall. Broader social changes (in employment and legal practices, family and social policies, and health and lifestyle) also influence agendas and actions in organisational fields, as well as constituting fields themselves. By modifying its strategy and changing its priorities, a powerful player such as a funder can reshape a field, create a new field or damage a field. Unilateral action can result in significant unintended consequences if field dynamics are not taken into account.

**Collective reaction to crises**

An issue that can only be resolved at field level, through the collaboration of multiple members, is referred to in OD terms as a ‘problematique’ (Trist, 1983). Often, a crisis is the stimulus bringing disparate members of a field together to act. A field crisis is experienced as unpredictability where the prevailing model of the field is no longer appropriate or good enough to inform members’ actions. Organisations, if they are to continue their membership of a field in crisis, need to find new ways of doing work, of organising and crafting their future, in collaboration with each other. Otherwise, the field may collapse. This may be advantageous to less powerful and peripheral field members who may have opportunities to form new, mutually beneficial fields. For those members whose interests are vested in existing field relationships and practices, survival may depend on appealing to superordinate values and the avoidance of undesirable future developments.

**Sharing knowledge through communities of practice**

*Communities of practice are groups of people who share a concern or a passion for something they do and learn how to do it better as they interact regularly.*


Learning can be an incidental outcome of a group’s activity. It need not be the reason they come together. However, to become a community of practice (CoP), any group of organisations or agents must demonstrate three characteristics:

- Members must share a common domain of interest that distinguishes members from non-members. Geographical proximity is not sufficient
- Domain members must participate in joint activities and share information. Being employed by the same organisation is not sufficient
- Members must be practitioners who have developed a shared repertoire of stories about and ways of addressing recurring problems through sustained interaction. Having mutually recognised expertise is not sufficient if it was not developed through participation.

This is key to the CoP model of development:
Rather than asking what kind of cognitive processes and conceptual structures are involved, they ask what kinds of social engagements provide the proper context for learning to take place. (Lave & Wenger, 1991, p.14)

Practitioners move from participation at the periphery of communities of practice to full participation as expertise, know-how, and recognition are acquired. Learning and the development of learning communities is therefore about continual changes in social relations (http://www.infed.org/biblio/communities_of_practice.htm) and the development of organisational routines through connections (Feldman & Rafaeli, 2002). For capacity development, this approach may help to explore those factors and forces that inhibit domain entry, membership and legitimate participation.

It is useful to remember that ‘field’ is a construct, a heuristic device to make sense of the world and as such can be applied within the boundaries of a single organisation, or single agent. If ‘you can’t build capacities in others that you don’t have yourself’ (Eade 1997, in Oxfam, 2010 p.212), it may be useful to conceptualise significant change agents as a field and establish to what extent they have developed, or need to develop, as a community of practice to support and promote capacity development in others.

Summary

Field building occupies a unique place in the work of philanthropic funders who want to bring about positive and lasting social change in some aspects of people’s lives, and where the work of any one organisation cannot hope to achieve or sustain this level of systemic change.

Field building demands an assessment of the actors in the field, their interconnections and collaborations, the dynamic of their relationships, how resources are accessed and used, the boundaries between organisations in the field and the boundaries around the field.

Networks occupy a place of significance in field building. The literature suggests that much of the learning from OD can offer insights into how fields work and how they change, as emergent processes.

The sharing of knowledge has particular importance and resonance at field level. One concept noted in the literature is that of communities of practice. Communities of practice have particular characteristics – a common domain of interest, participation in joint activities and information sharing, and a shared repertoire of stories about ways of addressing problems, developed through sustained interaction.
Conclusions

Building and maintaining awareness of the complex interaction between different kinds of capacities constitutes an essential capacity needed by philanthropists, whether they are acting as funders of capacity development or proactively engaging in capacity development processes with grantees. Programme staff are called on to recognise that higher order capacities are difficult to build directly, that they often require the development of lower order capacities (that are easier to assess, analyse and develop) and that building organisational capacity takes time. There must be a strong and consistent acknowledgement of the importance of context in building capacity, and resistance to a ‘one size fits all’ approach.

The literature underlines the reality that developing capacity takes time. Time is needed to consolidate the gains made. The pressure of grant making is often in tension with the value of taking time to distil, articulate, capture, share and reflect on experience and learning (and the pipeline generally wins), with the attendant risk that unique learning, important for sustainability, is lost to the field.

This complexity in the work of capacity development is best seen and handled as a source of opportunity rather than a barrier to effective social change. Some of the opportunities are identified below:

Creating and operating shared meanings

The looseness of the language of capacity and capacity development highlighted in the literature is clearly problematic; multiple meanings and understandings of capacity can camouflage differences in ideologies and diverse practice. While the literature review supports the view that there is not a ‘right’ way or a normative model of capacity development, it also points to the need for those involved in this work to share evidence-based understandings of models in use, and to ensure that capacity development interventions are constructed on robust and well-articulated assumptions about both capacity and how it can be changed or developed. The task of agreeing on these meanings constitutes a real opportunity for funders and grantees, working together.

Embedding an organisation development approach to capacity development

Treating capacity development as an application of organisation development can bring conceptual and practical benefits by helping to address the relatively under-theorised knowledge base and by offering tried and tested methods, tools, and techniques for the design and evaluation of intervention practices. However, this approach would need champions or leaders in the field of capacity development. Thinking about a field-level intervention of this sort raises some of the questions posed in this review: Who will act and take up a lead role to support the development of a community of practice? A simple mechanism might be to establish a journal that bridges the theory-practice divide across the field and with the specific remit to build the knowledge base. Having somewhere to write about capacity development without being attached to particular stakeholders’ websites
might free practitioners and funders to explore learning from failure. Again, in common with OD, sources focusing on what went wrong are under-represented in the literature.

**Extending the range of tools and processes**

The literature points to scope for translating the findings into tools for evaluation/evaluators and programme staff in philanthropic organisations, for instance through:

- Helping the funder to make explicit the logic model/theory of change informing plans and actions
- Describing the ‘supply chain’ of services, knowledge, policy development and influence, of which the organisation is a part
- Gathering evidence of meta capabilities (such as knowing how to organise the strategic and operational capabilities residing in different agents into innovative and viable configurations)
- Promoting organisational practices in relation to mapping ‘capacities’ across internal and external organisational boundaries
- Prompting each grantee’s analysis of its own stage of development and maturity, what organisational models it uses and what models of organisation it looks to as examples of good organisational capacity
- A focus on outcomes of capacity building
- Examining ‘sets’ of inter-related capacities and highlighting the inter-relationships, rather than measuring capacities or functionalities in isolation (hierarchy of interlocking elements)
- Developing indicators for the difficult-to-measure capacities – the more invisible, longer term and hard to address
- Identifying and funding the development of ‘mutual capacities’ – within networks, alliances, communities of practice.

**Optimising work of external consultants as agents of change**

The model of the ‘external expert’, a core of many models of capacity building, is a primary method of capacity building for many philanthropic funders and grantees. The model has many strengths: it is relatively accessible, it can be mobilised quickly, it is a dedicated resource for the grantee, it can be targeted, and it does not give rise to ongoing costs.

It also has disadvantages: the quality and value of consultancy varies, there is a ‘me too’ effect when the consultant is effectively asked to reproduce interventions that are ‘successful’ in one setting in a very different setting, and consultants without a long-term relationship with the organisation are vulnerable to being ‘captured’ by either the organisation or the funder. The ‘external expert’ model may perpetuate a dependency on external support; rather than building capacity, this model may replace or even displace missing, weak or emergent capacities. Critically, unless the grantee and funder have a shared view about what capacity is to be developed, and how the interventions are to be constructed, based on a commonly held theory of change, the external consultant work may be disconnected from the context, reality, needs and expectations of the users.
The literature review offers insights into the change agent role that may be helpful to both grantees and funders in their management of external capacity building support.

**Strengthening field building**

The literature addresses field building and field level issues, acknowledging that these are enterprises that are too extensive and too complex to be dealt with by any single organisation. Making explicit the assumptions informing field building – interrogating the models of systemic change underpinning the design of interventions and making these available for sharing – could make a worthwhile contribution to field building. Ensuring that such understandings and analyses are shared and embedded in the field represents an important intervention in developing capacity.

Learning from work on communities of practice will also be of value to field building, particularly in the context of planning institutionalisation (mainstreaming) beyond demonstration projects. The literature prompts some challenging questions for funders:

- Who is and is not perceived as a member of the field, allowed to participate in activities and information sharing, or able to practice?
- What needs to change to develop a community of practice that supports capacity development for social justice in this domain?
- Who will act and take up a referent organisation role to support the development of a community of practice in relation to capacity development?

**Strengthening sustainability**

Questions arise from the literature for funders in relation to sustaining capacity development: does capacity building work with a project, programme or organisation give due attention to the wider context of the work? What is ‘outside’ the project or programme? In terms of diagnostics and interventions, does the capacity building work risk an over-focus on data, analysis and monitoring at the expense of curiosity, political mindfulness and relationship building? Lessons from the literature about sustainability challenge the rational-control model that assumes a stable state or a predictable future. The thinking about sustainability supports funder initiatives around convenings, network building and encouraging connections across organisation and sector boundaries, developing relationships between grantees and non-grantees that might not naturally develop.

Some useful work may involve authoritative mapping of the history of ‘capacity building’ to research how and where the term is used and practised. This would help to license acknowledgement of the variety and changes in capacity development paradigms over the years and explore its association with particular communities of practice, contexts, and politico-cultural regimes at different times. Time and its impact is an under-recognised issue in the capacity development literature (something shared with OD, although to a lesser extent) and a critical look at how time shapes thinking about and the practice of capacity development can only be helpful.
There may also be value for funders in Ireland in considering an ‘Academy’ or ‘Knowledge Exchange’ in Ireland to collate, distil and share ‘what works where and why’ lessons about different models and practice. This structure might serve the objective of sustainability beyond the lifetime of any one funder.
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www.effective-services.org/our-work/promoting-capacity-building-in-ireland