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Capacity Building

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“The ability of individuals, institutions, and societies to perform functions, solve problems and set and achieve objectives in a sustainable manner.”

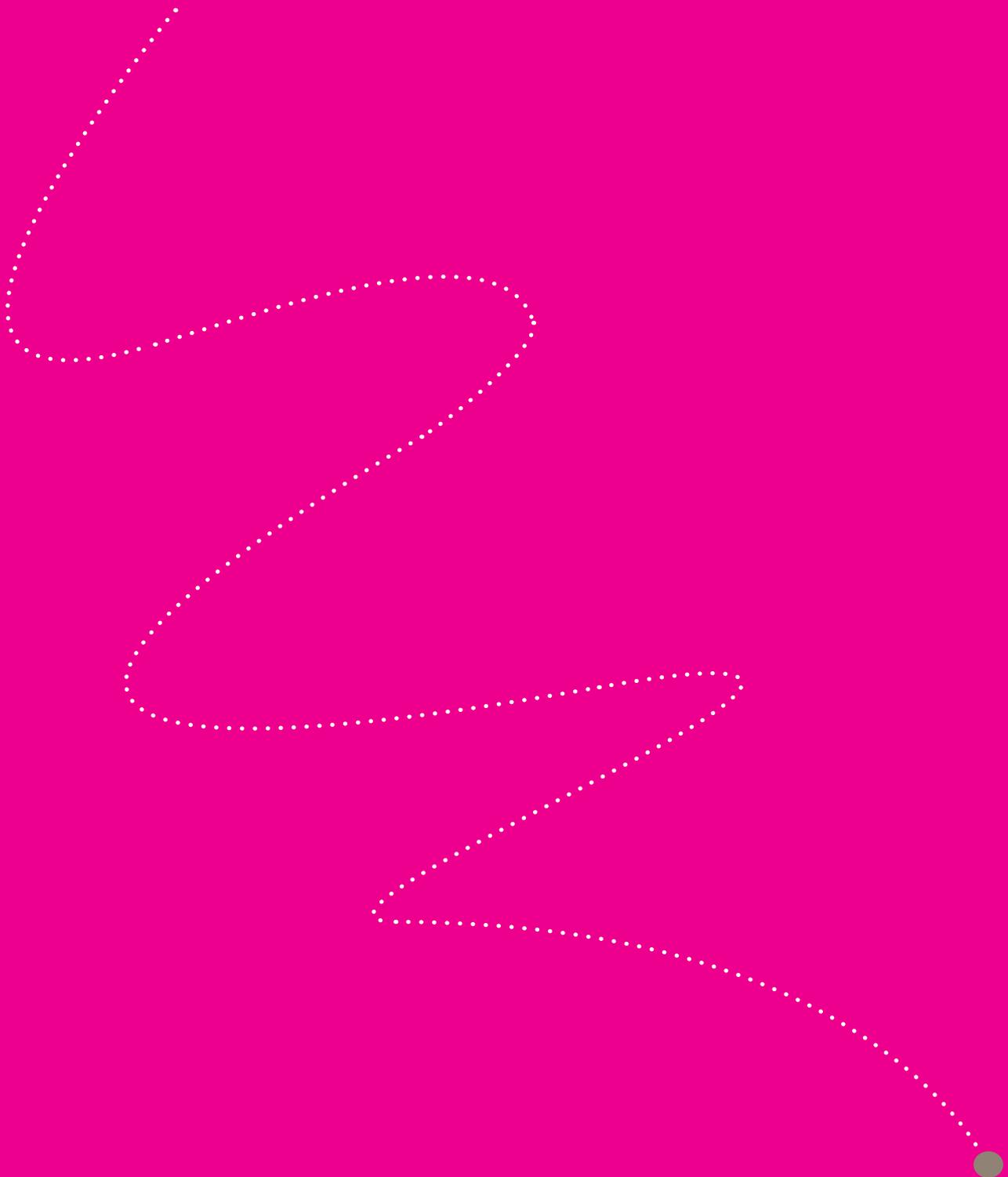
United Nations (UN)



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How often have you
said: "we don't have the
capacity"?



Capacity building



As leader of your organisation how often have you said, “we just don’t have the capacity”? — I guess this is a common refrain.

This might be in relation to a new project, some research and development (R&D), exploring new ways of bringing income into the organisation, or just keeping your head above water in your existing delivery.

There are never quite enough hours in the day for most of us, and it’s easy to get bogged down in the day-to-day and always look at our toes and lose sight of the horizon completely. We drift into ways of working that are not efficient or easily effective, and this can be a difficult thing to change by ourselves. So, usually we need some assistance to understand how best to change this, someone to hold up a mirror to us and our practice.

Capacity Building as a term in the arts has been mostly used in relation to diversifying funding. Arts Council England Catalyst programmes, which ran from 2012-2016 have funded organisational capacity building as well as matched additional funds raised as a result.

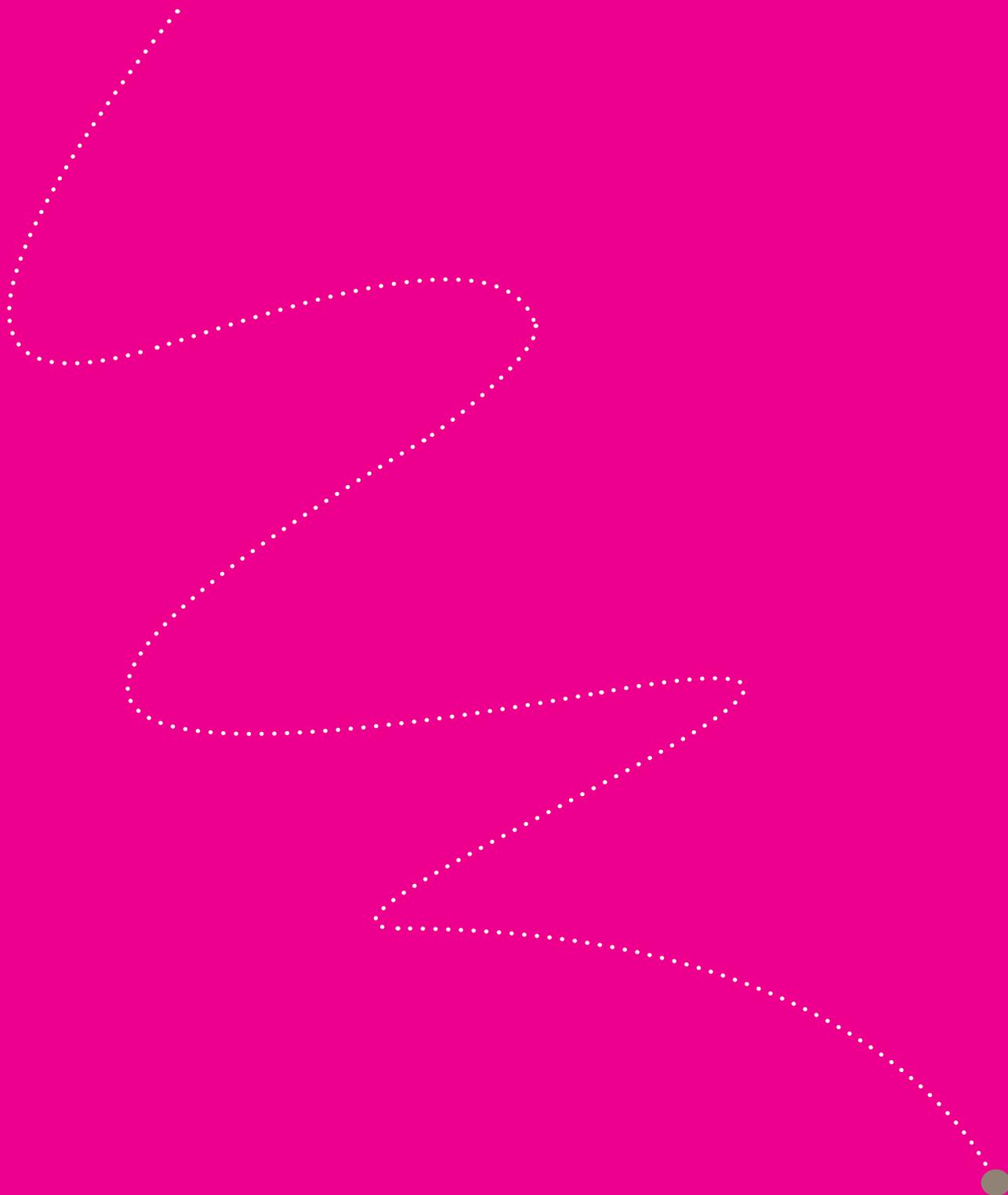
Capacity building in the wider voluntary sector is applied to a broader range of activities and is focused on things you might do to:

- **Expand your organisation**
- **Change its direction**
- **Make it more effective in delivery**

The term is also commonly used for overseas development in NGO’s, but the principles ideas and practice of capacity development apply to any organisation. The UN defines it as:

“The ability of individuals, institutions, and societies to perform functions, solve problems and set and achieve objectives in a sustainable manner.”

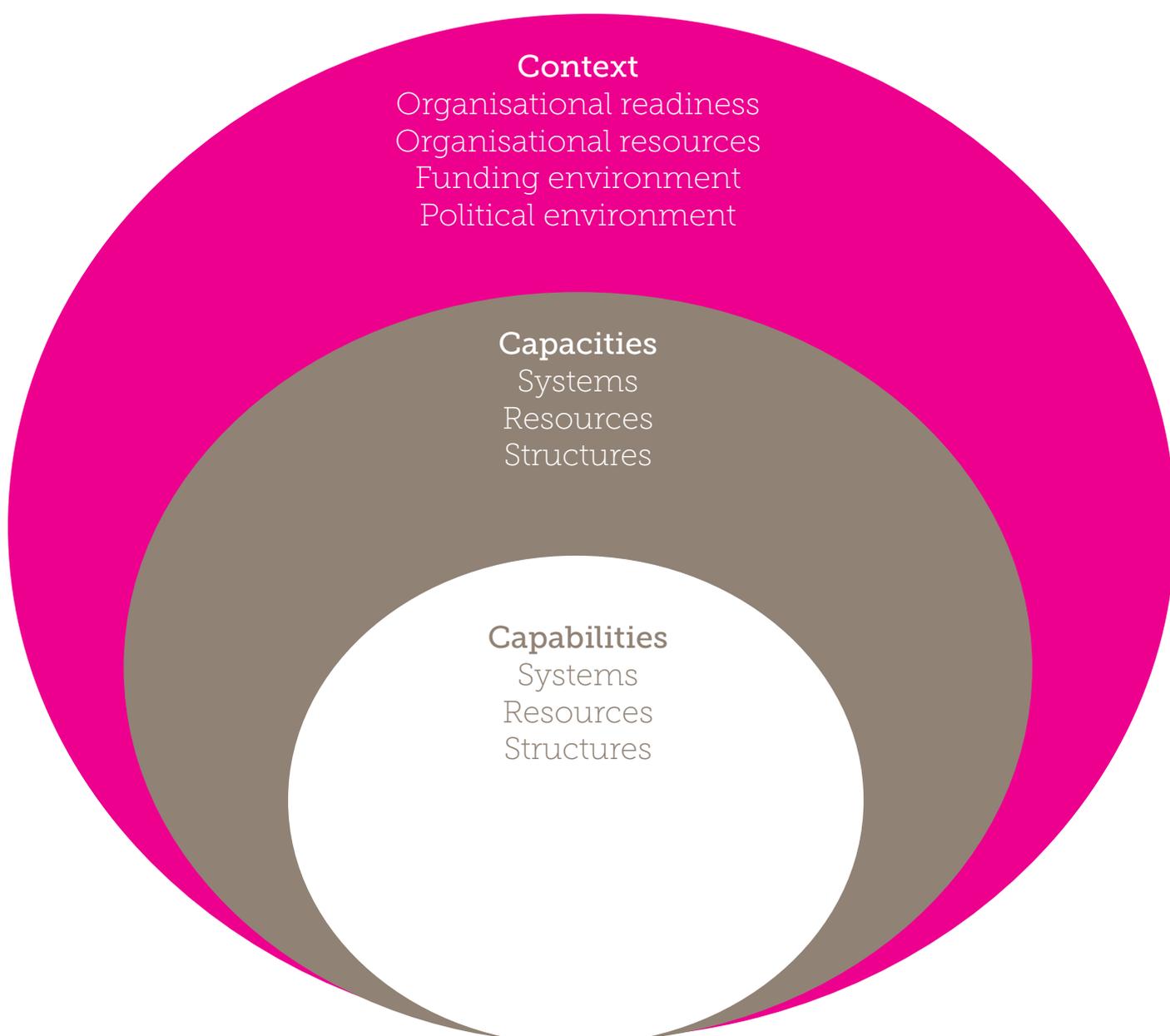
A research base



Big Lottery Fund have also invested in capacity building in the wider voluntary sector over the last 10 years or so, focused on organisations seeking funding from them. Research into the efficacy of these programmes has led them to conclude that the generic term **Capacity Building** may be broken down into capacity and capability where:

- **Capacity** describes how much you can do, and
- **Capability** describes how well you can do it

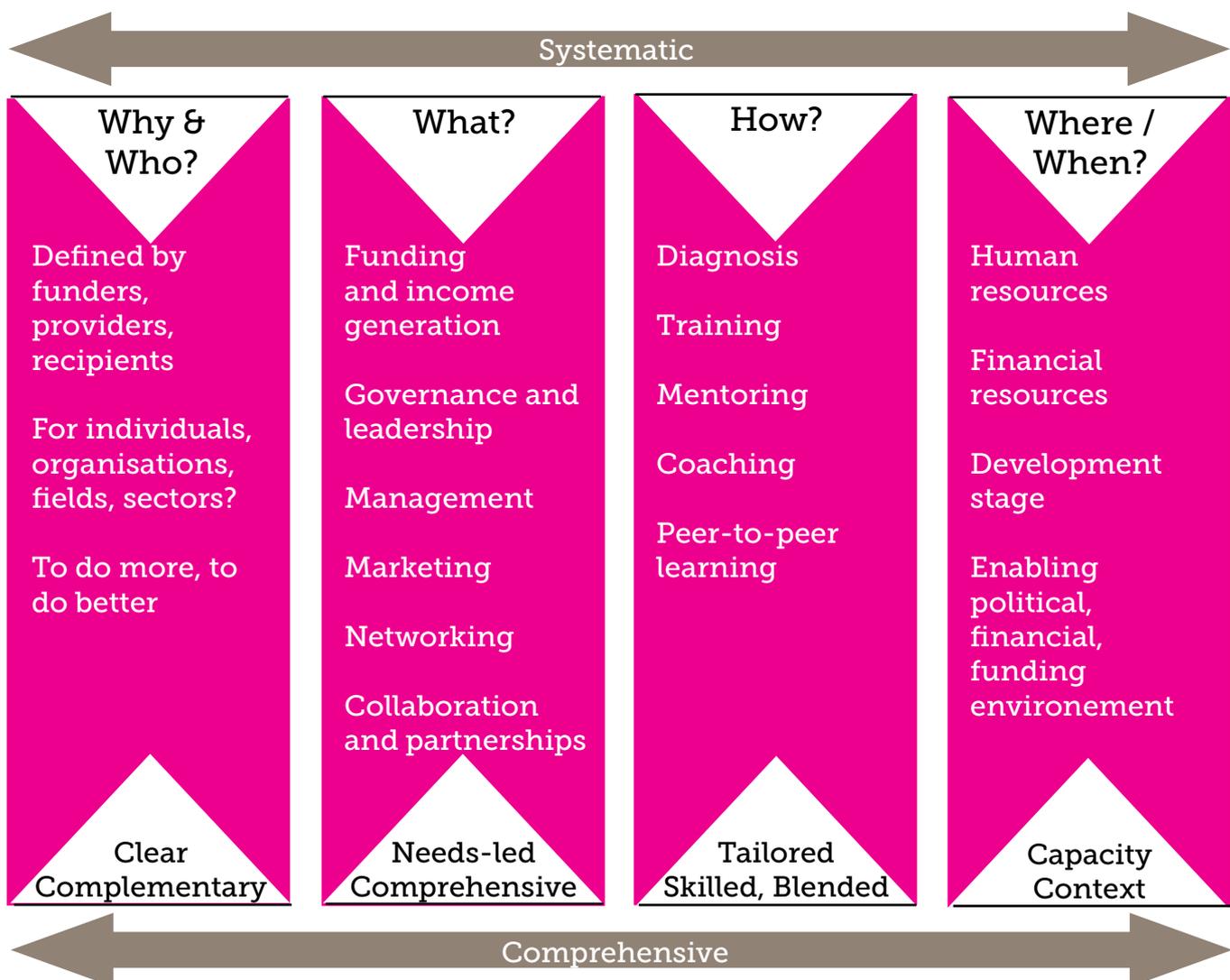
Research undertaken on behalf of Big Lottery Fund in 2014 (Rob Macmillan and Angela Ellis Paine, 2014) also underlined the importance of understanding the context within which the organisation is operating in this model:



They concluded that unless the organisation is already rich in its ability to devote time to its development (**Capacity**) building, individual **Capabilities** are unlikely to lead to sustained change unless the **Context** and **Readiness** are understood and present.

Their model of effective Capacity Building is below, and while the mix of these elements will vary from organisation to organisation, the key elements essential to successful Capacity Building are:

- Adopting a systemic and comprehensive approach
- Which has a clear purpose agreed by stakeholders (**WHY & WHO**)
- Is tailored to the organisation's specific needs (**WHO**)
- Following a thorough diagnostic process (**WHAT**)
- Delivered through highly capable and trusted providers (**HOW**)
- And includes a range of different mechanisms, which together involve the who organisation (**HOW, WHERE/WHEN**)



This research has identified capacity and capability building functions and ingredients that can help organisations to be successful, including:

Capacity

- Links to organisations working with similar aims and beneficiaries (especially for communities of interest) as it enables effective **engagement** and **consultation** (networking is the most widely used aspect of capacity building)
- Adequate **premises** and **equipment**
- Appropriate **marketing**, and links with wider stakeholder organisations
- Adequate **funding** and **planning** for all of the above

Capability

- Appropriate **skills** among staff and volunteers at all levels, for project work and for organisational management
- Adequate **governance** with appropriate policies, processes and procedures
- Tailored **development** support via a clear diagnostic process that enables change to take root in the organisation.

In addition, things found to be important in building capabilities include:

- A **diagnostic process** (or organisational strength review) to:
 - establish which **strengths/ weakness/ opportunities** to focus on giving the organisation's context, purpose and stage of development
 - identify what kind of **support** will best deliver and embed new capabilities in the organisation given its particular structure
- Sufficient **readiness** to make use of development help, including capacity to make staff available to participate and, the leadership to make sure that new skills are sustainably embedded into the organisation's practice
- Choosing **suppliers** with the relevant expertise or flexibility
- Keeping suppliers of diagnostic support and development separate — to avoid conflict of interest.



Capacity Building

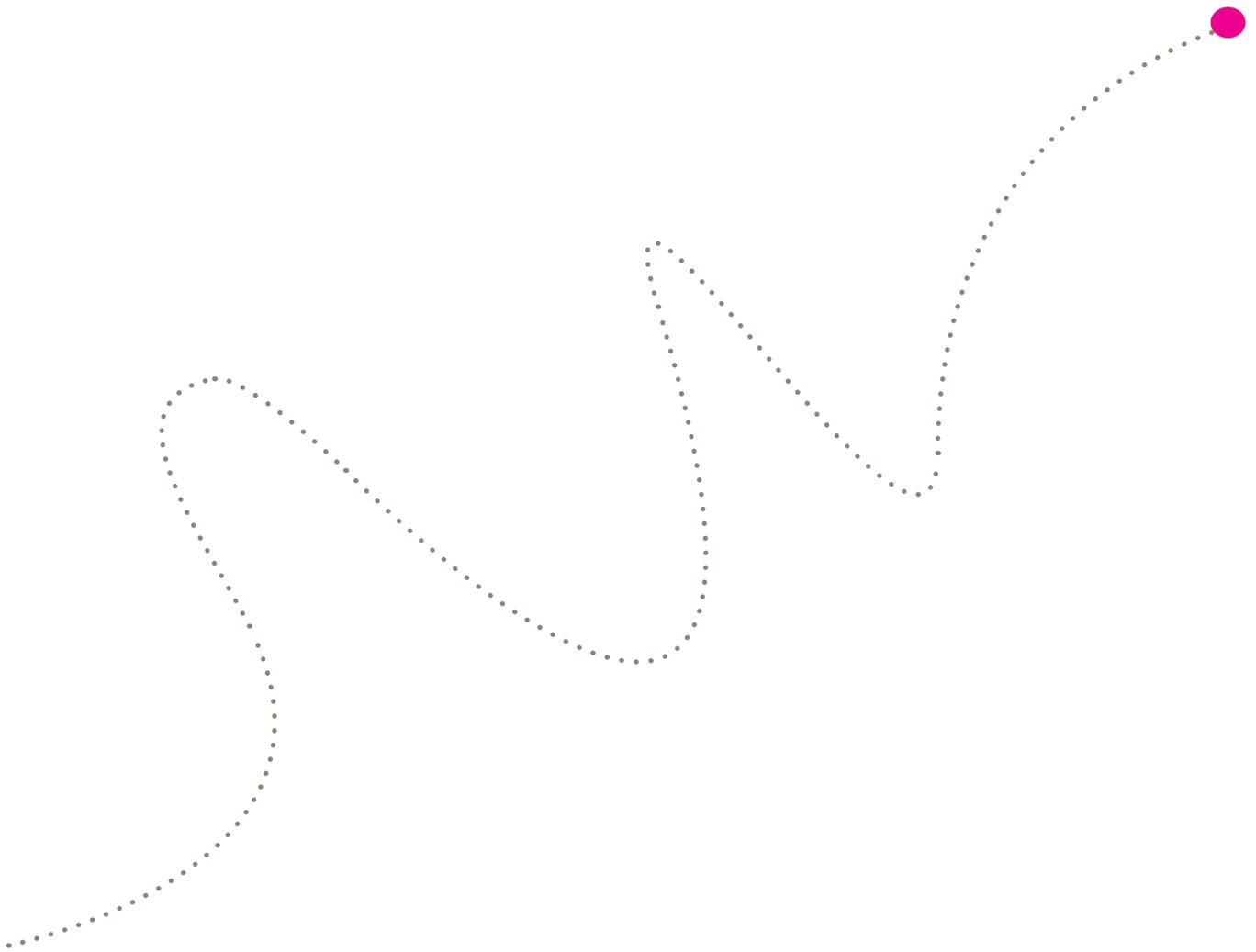
— within Catalyst Programmes

The Evaluation of Catalyst Year 1 undertaken by BOP Consultants outlined the steps that organisations had taken in building their capacity to fundraise.

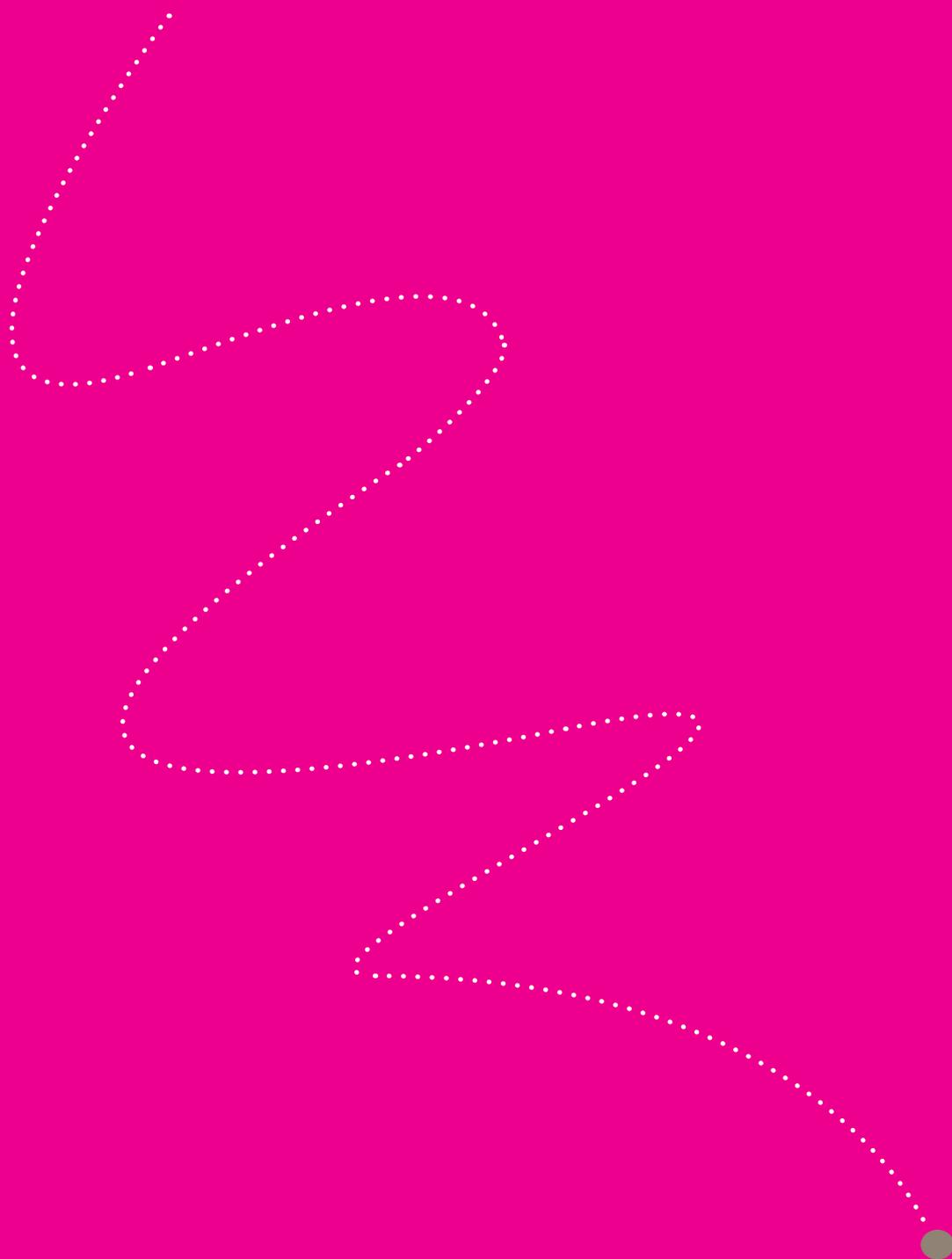
- **Developed new fundraising expertise**
 - Hiring an external fundraising consultant to help develop a sound fundraising strategy, formulate a strong case for support, integrate fundraising initiatives into external communications and build the knowledge and confidence of staff and board members.
 - Employing dedicated fundraising staff or increase the working hours of existing members of staff to create time for change and increased fundraising activity
- **Upskilled through training**
 - Existing staff, board, volunteers in fundraising.
- **Piloted fundraising methods and tools new to the organisation**
 - Such as events, campaigns, membership schemes, investing in technology
- **Developed new ways of communicating externally and internally**
 - To ensure the whole organisation understood and could support the new approaches to fundraising

So ...

What does this mean for
capacity building in the
wider sense?



Capacity Building — a pragmatic approach



Drawing on this research and being very pragmatic, effective **Capacity Building** requires the following:

1. Clear and agreed organisational mission, vision, strategy and direction
2. Good understanding of the wider context in which the organisation is operating, perhaps making use of an analysis tool such as PESTLE
3. Internal willingness to change and the time to develop new ways for working
4. Effective leadership capability
5. The right people in the right jobs, with their skills and knowledge being developed in the right way
6. A culture of learning and continuous improvement across the organisation
7. Enough time to be implemented effectively

The first two points — mission, vision and strategy, and external context — are dealt with in other Prosper resources, so we will take these as given here. Clearly the need to increase the capacity of the organisation will be strategically driven in some way and relate directly to the future success of the organisation.

Items three to six may need external support to be effective, in terms of either:

- Skilled consultants to assist you in diagnosing and evaluating what kinds of capacity you need to develop and planning how to do that
- Or additional employees to plug skills gaps if they are particularly wide

Let's look at points three to seven in a bit more detail.

Internal willingness to change and the time to develop new ways for working

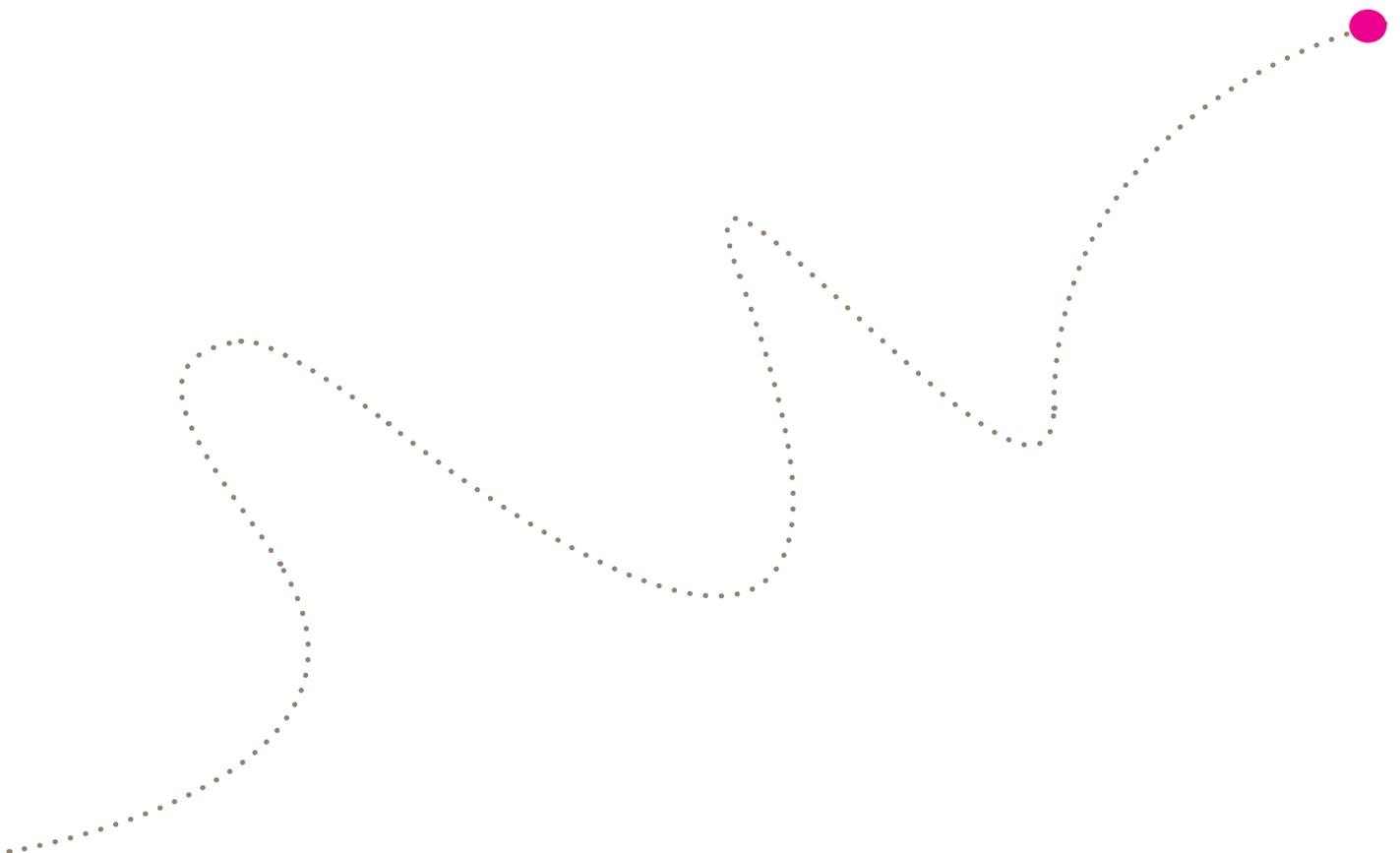
If your organisation is large, it's more likely that those in leadership positions will have the time and space to be strategically rather than operationally focused. The smaller the organisation the harder this is.

A consultant skilled in organisational development should be able to assist you in understanding where you can create some time to devote to future developments, but if you don't have the funds for that and you lead an organisation — what can you do?

1. Consciously spend some time firstly considering how you personally spend your time. If you have a role or job description dig it out and refamiliarise yourself with it and ask yourself the following questions:

- Does it accurately describe what you actually do on a daily, weekly, monthly, annual basis?
- What are you doing that is outside the scope, how much of what you do could be delegated, stopped or modified?
- What are you not doing that your role description says you should be?
- Consider — how you could become more effective in terms of time management, etc.?
- Are there things that you need to know more about in order to be able to deliver your role, what are your personal development needs?

2. Book time in your diary to be strategic and think about the longer term. Treat this time as just as important as any external demand on your time and if something comes up reschedule it, don't cancel it.
3. Are you making the most of your board in terms of supporting strategic and long-term thinking? Is it worth setting up a task specific sub-group to help you focus on this?
4. Once you've done this for yourself, cascade this examination through your team and ensure that everyone in the team is building effective ways of working and are appropriately focused
5. Be open about the need for change and encourage your team to be too.
6. Think about your internal meetings structure, does it mirror the rhythm of your operations or are there some you could cut with little detriment to your performance as an organisation?



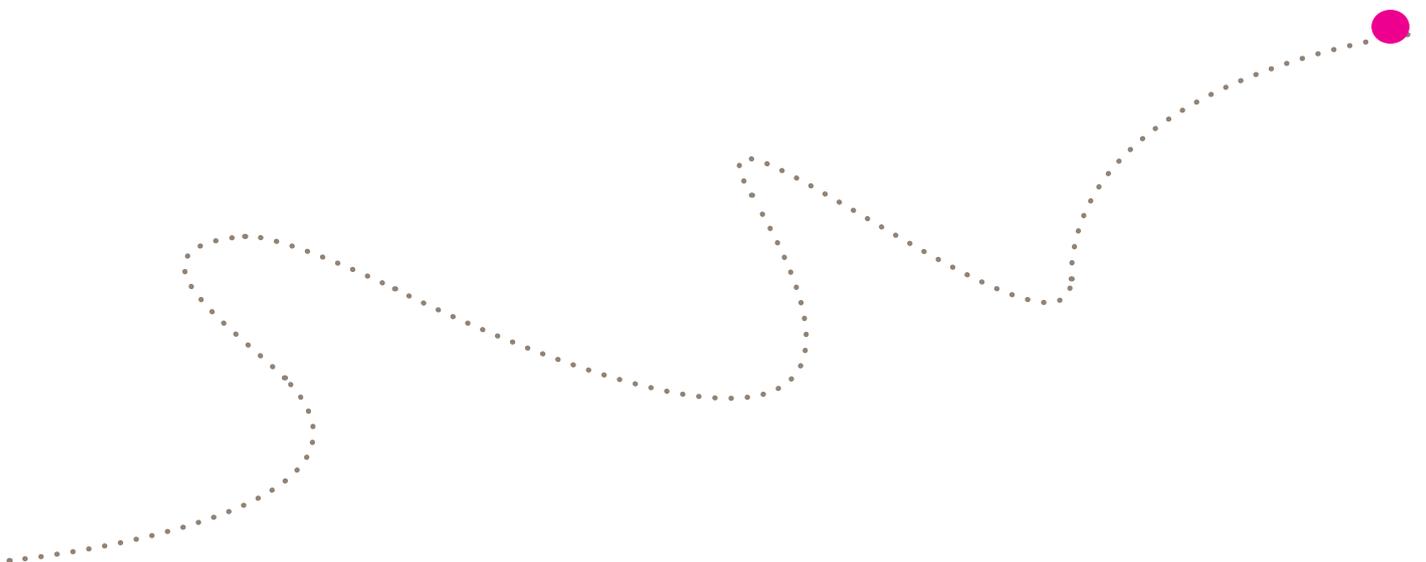
Think about...

How long is it since you spent any time on your own professional development?

What is your preferred leadership style?

How effective are you as a leader?

If you've not considered these questions recently then maybe it's time to do something about that.



Effective leadership capability

In the previous section, you decided what your development needs were, so now is the time to put those into action — whether that's finding a mentor, looking for a coach, attending a Clore Leadership Programme short course or finding something more local to you that will help you develop as a leader.

You may want to undertake some kind of 360° assessment too, which will allow you to understand how you impact others as a leader.

It's also important to consider the role your board plays here too. How supportive is your Chair? Are they prepared to commit to your development as a leader?

Strong Board support and willingness to contribute to the process of organisational development is very useful, particularly as you move into the next phase.

Capacity Building will lead to change in the organisation, so you need to understand that too, how it impacts individuals, and how long it may take to bring them with you on this journey — see the **Gearing Up for Growth** Prosper resource for more on this.

The right people in the right jobs, with their skills and knowledge being developed in the right way

Depending on the type of **capacity** you are trying to develop, you may decide to employ someone who fills the gap and if it's a completely new departure for your organisation this may well be the fastest way of building your **capability**. However, if it's about increasing levels of existing activity or a slight strategic shift in your delivery this may not be the appropriate solution.

Don't be afraid of conducting an organisational review (with professional support) to make sure that your organisational structure is appropriate for the plans you have. If you have a skilled HR person on your Board you may not need external facilitation for this. However you decide to tackle it, it's good practice to review your structure each time you review your strategy and business plan.

Just as your role as leader of the organisation can drift away from its original description and objectives, so may those of your team. Sometimes a refocus of those roles is necessary.

Step one

Ask your team members to go through the same process as you did above in terms of making time for change. Then review the outcomes with them in a systematic way, you may wish to involve a member of the Board in this.

Step two

Undertake a thorough future needs analysis of the organisation in terms of skills, knowledge, roles and numbers of people needed to deliver your plans, and make sure your Board agree with your proposal

Step three

Plan the transition from current structure to future structure — and for this, if you haven't got access to internal HR expertise, it's prudent to take advice from an expert about how best to implement this; particularly where roles need to change significantly. You don't want to fall foul of employment law.

A culture of learning and continuous improvement across the organisation

Now you've done all of this and you're up and running and that is really great. However, no one can afford to rest on their laurels

- The context in which you are operating is changing all the time
- Your plans may need to be adjusted as you get into delivering them and you monitor your progress against the KPIs you've set
- And the demands of your customers, audiences or participants may prompt a change of emphasis for you operationally.

It's important to build into your systems and processes, time for reflection and structured review. A simple way of doing this is to ask yourself and your team the following questions on a regular basis:

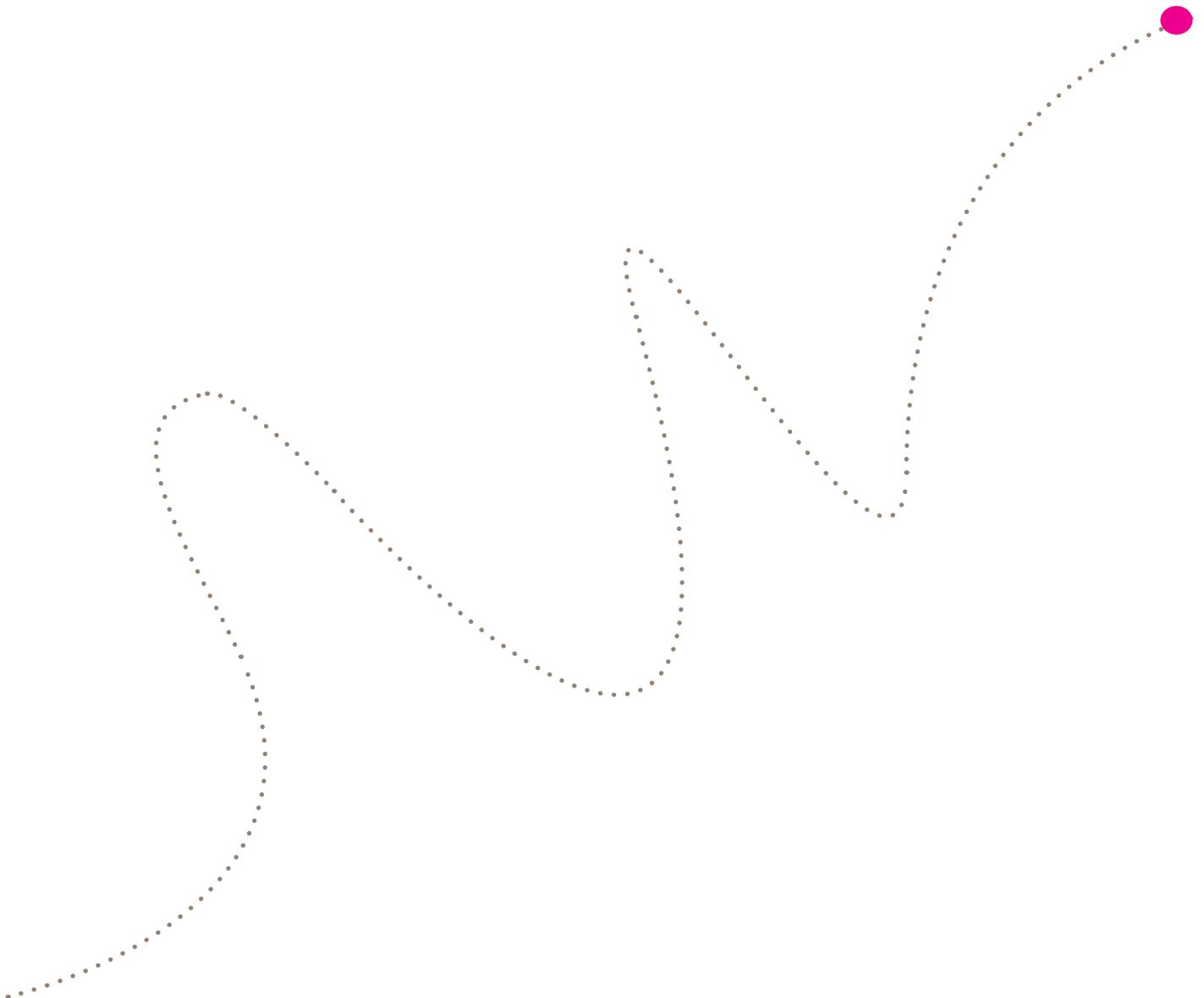
1. What are we pleased about / what went well?
2. What are we unhappy about / what went badly?
3. What can we learn from both what went well and badly?
4. How would we change our operations, systems, processes or working practices as a result of that learning?
5. Who will act to do that and when? The team then must hold them accountable.

This review process works at a very small level after an event or intervention, as well as at the end of a large programme of work. When teams learn together, not only are there great results for the organisation but also staff grow and develop more rapidly. Success in this kind of regular review involves open discussion, the need for everyone involved to overcome assumptions and enter into a genuine process of reflection.

Allowing enough time to be implemented effectively

Building capacity takes time. Arts Council England recognised that in the structure of their Catalyst Programmes where the Capacity Building element was allowed for in year one funding of these three-year programmes.

All the seven steps outlined above take time and the bigger the change the longer it takes. It's not possible to be prescriptive, only you can know how big a change your Capacity Building requires, but steps 3, 4 and 5 could easily take at least a month each if not longer, so maybe a minimum time frame for a mid-range change in a medium sized organisation could be a minimum of six months.



Sources

- **TRSC Briefing Paper 125: *Building Capabilities in the Voluntary Sector: a summary of what the evidence tells us.*** Rob Macmillan and Angela Ellis Paine, with Helen Kara, Chris Dayson, Elizabeth Sanderson and Peter Wells. September 2014. Produced by the Third Sector Research Centre (TSRC) at the University of Birmingham, in partnership with the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University.
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