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**Assessing Organizational Capability of a Voluntary
Organization that Provides Capacity Building Interventions to
Socioeconomic Problem: Developing Country Context**

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Abstract

Many organizations are now involved in community capacity building-CCB through a voluntary organization (NGO) in order to empower their respective host communities and to complement government's efforts in dealing with specific socioeconomic problem facing them. These organizations attached their involvement in CCB as part of their corporate social responsibility-CSR contributions to the society. These NGOs serve as capacity building providers. The major concern is that these NGOs do not have a framework in place to assess their own organizational capability in relations to the capacity building interventions-CBIs provided to the community for dealing with their respective problems. Many studies carried out on organizational capability focused on profit-making organizations and were not meant for voluntary organizations, because most of these studies view organizational capability from competitive advantage position. This paper intends to fill a gap by contributing to the development of theory on the assessment of organizational

capability of a voluntary organization from a developing country context. This paper developed organizational capability assessment framework that can be used as a benchmark by any capacity building providers through modification of Hawe, et al.'s (1997) model on capacity building. The assessment index and their respective indicators were thoroughly examined in this paper.

Key words: community capacity building, capacity building providers, organizational capability, capacity building interventions, voluntary organizations.

Introduction

Many organizations are now involved in community capacity building (CCB) through a voluntary organization (non-governmental organization-NGO) in order to empower their respective host communities and to complement government's efforts in dealing with specific socioeconomic problem facing them. These organizations attached their involvement in CCB as part of their corporate social responsibility (CSR) contributions to the society (see Sanni, 2014). These NGOs serve as capacity building providers (any organization that facilitates CCB- especially the voluntary organization). Each NGO has their area of competency and then provides capacity building interventions (CBIs) to deal with certain communities' socioeconomic issues such as healthcare, youth unemployment and community safety and so on. The NGO partners with different organizations to acquire adequate organizational capability in order to enhance their CBIs toward the designated socioeconomic problem of their choice.

This paper agreed that there is need for organizations to involve in CCB as part of their CSR contributions to the society based on Eilbert & Parket's (1973) position on CSR concept in terms of good neighbourliness with responsibility not to spoil the neighbourhood, and also with voluntary responsibility to help solve neighbourhood problems. This paper also agreed that there is need for NGOs to partner with different organizations to possess adequate organizational capability in order to provide adequate CBIs. The major concern is that these NGOs do not have a framework in place to assess their own organizational capability in relations to the CBIs provided to the community for dealing with their respective problems. This paper opines that the impact of CBIs on the community issues should also reflect on the capacity of the providers themselves (the NGOs), because if the CBIs toward communities' issues cannot improve organizational capability of the providers themselves then the interventions cannot have meaningful impacts on the communities that benefited from these interventions.

This paper acknowledged that there is no acceptable framework in place for determining organizational capability of a voluntary organization that facilitates CCB. Many studies carried out on organizational capability focused on profit-making

organizations and were not meant for voluntary organizations, because most of these studies view organizational capability from competitive advantage position (see Ulrich and Lake, 1991; Lynch and Cross, 1991; Leonard-Barton, 1992; Barney, *et al.*, 2001; Henri, 2006; Aghdasi, *et al.*, 2010). These scholars also expressed what constitute organizational capabilities, although, their positions centred on profit-making organizations.

This paper intends to fill a gap by contributing to the development of theory on the assessment of organizational capability of a voluntary organization from a developing country context by putting forward an assessment framework that can capture the shortcomings on this subject area. This paper developed organizational capability assessment framework for voluntary organizations that involved in CBIs toward socioeconomic problems through modification of Hawe, *et al.*'s (1997) model on capacity building.

Organizational Capability

As stated earlier that there is no specific framework in place to determine organizational capability of a voluntary organization, and also that the previous studies examined organizational capability from competitive advantage position. Ulrich and Lake (1991) view organizational capability from competitive position and emphasized on three areas (economic/financial capability, strategic/marketing capability and technological capability). Leonard-Barton (1992) emphasised on knowledge capability while Henri (2006) focused on four areas of capabilities (innovation, market orientation, organizational learning and entrepreneurship) in order to gain competitive advantage and create market change. Aghdasi, *et al.*, (2010) relate organizational capability with business process reengineering (BPR).

Amit and Schoemaker (1993) refer organizational capabilities as organization's ability to mobilize, integrate and deploy valued resources to achieve competitive advantage. These authors stressed that the differences in organization resources will still remain over time. Grant (1995) and Bharadwaj (2000) view organizational capability as an integrated system that can enhance competitive advantage, where specialised capabilities of an organization (creativity/innovation and research development) are integrated into wider organization functional capabilities such as manufacturing, marketing, financial, logistic, and IT capabilities which later integrated into cross-functional capabilities such as new product development capability and customer services with after sales support capability. However, Aghdasi, *et al.*, (2010) emphasised that for BPR to be successful, adequate consideration must be given to organizational capability before and during implementation of BPR.

Hult and Ketchen (2001) and Henri (2006) focused on four areas of organizational capabilities (innovation, market orientation, organizational learning and entrepreneurship) in order to gain competitive advantage and create market change. Hult and Ketchen (2001) and Henri (2006) agreed that each of these four capabilities can offer strengths to organizational resources, but they cannot constitute unique resources independently. The authors stressed that these four areas of organizational capabilities will only give a firm competitive advantage over their competitors when they are properly integrated to collectively contribute to organizational success and to make the organization unique among its competitors. Mohamed, *et al.* (2009) pointed out that the organizational capability can be viewed as tangible and intangible assets which include organizational managerial skills, organizational culture, market knowledge and information in its possession. This paper maintains its position that the previous writers' positions on organizational capabilities cannot be used for voluntary organizations, because these organizations (NGOs) are established with intention not to make profits or compete with any voluntary organization in providing CBIs to their respective communities' socioeconomic needs.

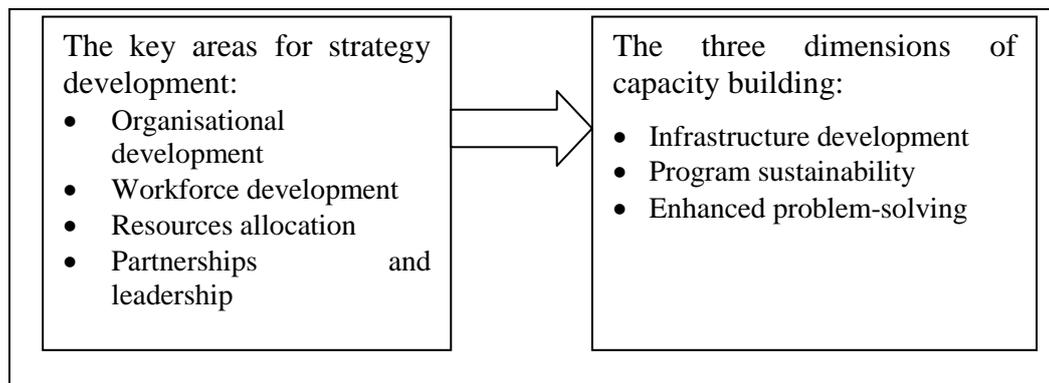
Criteria adopted in Assessing Organisational Capability

This paper derived its organizational capability assessment framework for a voluntary organization through modification of Hawe, *et al.*'s (1997) model on capacity building (shown in Diagram 1 below). Hawe, *et al.*'s (1997) model on capacity building emphasized that if the key areas for strategy development (organizational development, workforce development, resources allocation and partnerships and leadership) are properly accommodated, then it will enhance capacity within the system which will build up an infrastructure to deliver certain types of programmes effectively (level 1 in their model). The authors opined that any activities toward enhancing delivery of programmes within the system through a network of organizations are under the notion of program sustainability and named as level 2, while the authors stressed that any activities within the system that support and enhance problem-solving for the organization and the society at large was the last stage of capacity building within the system.

This paper modified the thought of those authors (Hawe, *et al.*, 1997) and compressed the key areas of strategy development and the three dimensions of capacity building into three key action areas for assessing organizational capability of a voluntary organization: infrastructure development, research team development and partnership sustainability development as shown in Diagram 2 below (see Table 1 below for their respective indicators). This paper demonstrates (in Diagram 2 below) that for CBIs to meet stated objectives of the capacity building providers (the NGOs-voluntary organizations) then there is a need to manage partnership working

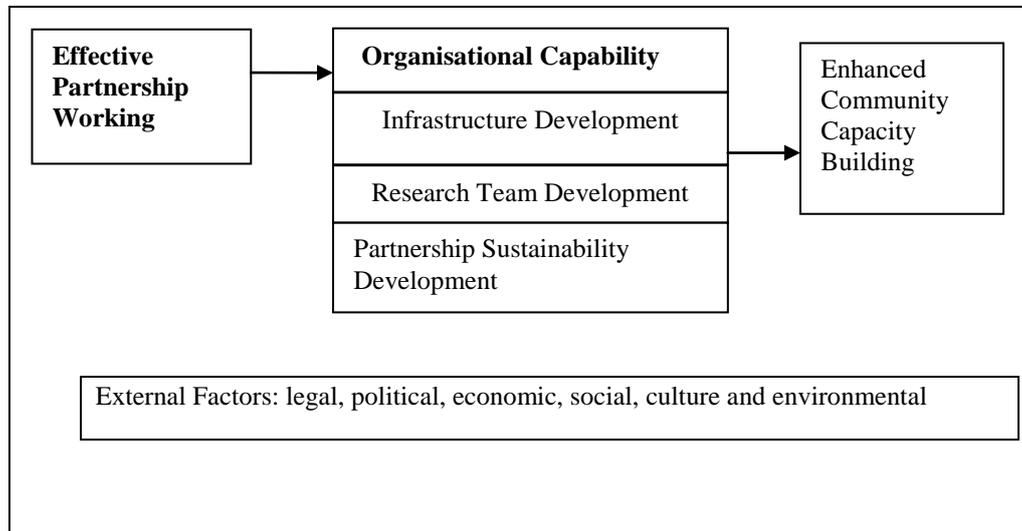
effectively. The Diagram 2 below shows that if partnership working among the partners (the main NGO, its sponsors and relevant stakeholders) is in good order by managing its relationship effectively, this will enhance organizational capacity. This is possible because of the importance of a good relationship and if there is any problem from this relationship it can hinder the progress of their projects/services and lead to poor implementation of projects/services. The importance of good relationships among the partners cannot be underestimated because it can help organizations to adjust and adapt to external factors/interventions (such as political, social, economic, culture, legal and environmental factors). Effective partnership working will diminish the fear associated with the evaluation process and findings. This paper also suggests that if a voluntary organization has the right capacity then it will enhance their contributions to CCB programmes of their choice. However, this paper infers that the organizational capacity of a voluntary organization should be assessed on these three action areas: infrastructure development, research team development and partnership sustainability development.

Diagram 1



Source: Author (extracted from Hawe, *et al.*, 1997)

Diagram 2



Source: Author

Table 1

Infrastructure Development	Research Team Development	Partnership Sustainability Development
Organizational structure-physical resources Financial capacity- working capital, availability of fund to execute projects Human capacity- leadership, skills, social	Problem-solving capacity Knowledge transfer Availability of fund to carry out research Availability of fund for monitoring & evaluation Innovation/ imagination	Community engagement in organization’s projects Stakeholders’ engagement in organization’s projects Networking among the relevant stakeholders

Source: Author (the three action areas and its respective indicators adopted in assessing organizational capability)

The Three Action Areas for Assessing Organizational Capability

This section explained the three action areas adopted in assessing organizational capability of a voluntary organization in relation to their CBIs to communities' socioeconomic problems in order to complement the government's efforts.

Infrastructure Development

A voluntary organization needs capacity in delivering of services and completion of its projects that will response to their designated activities toward certain communities' problem. The voluntary organization should have established capacity on good organizational structure, physical resources (such as organised office, vehicle for easy mobility, skilled workers and relevant equipment that relate to their services), working capital, leadership and skills before she can provide meaningful CBIs to community in their area of competency. Many writers such as Roper, *et al.* (1992), Meissner, *et al.* (1992), Schwartz, *et al.* (1993), Hawe, *et al.* (1997) and Bush, *et al.* (2002) have emphasized the importance role of this key area of capacity building (infrastructure development) in their studies and which is only being echoed and adopted in this paper.

Research Team Development

A voluntary organization needs capacity to carry out research studies in order to identify relevant related problems to the community in area of their competency and also to be able to apply practicable solutions to those identified problems. The development of this area of capacity will enhance the organizational problem-solving capacity, and also, it will enhance knowledge transfer between the voluntary organization and the relevant governmental agencies. In addition, it will help the voluntary organization to have reliable data to act upon and produce factual reports on issues related to their area of competency. It will also enhance regular evaluation of capacity needs for the organization and the community at large. Many renowned voluntary organizations in the world such as the Parliamentary Advisory Council for Transport Safety (PACTS), Cancer Research UK, Oxfam and many more get this respect because of their strong research team. For example, PACTS is a registered charity in the United Kingdom (UK), but because of its improved capacity in research team development, the organization is able to advise both the House of Commons and the House of Lords on transport safety, and also the organization is recognized by the European Commission and Parliament.

Partnership Sustainability Development

A voluntary organization needs capacity in maintaining its relationship with partners and stakeholders. This area of organizational capacity is essential to success

of any voluntary organization because it has linked to programmes/services sustainability. Since the voluntary organization implements its programmes/services through a network of partnerships then, the organization must have the capacity to engage with stakeholders and to extend its network and trust.

Looking at the complexity surrounding assessment of organizational capability by different scholars for business-oriented organizations, this paper developed organizational capability assessment framework that can be used as a benchmark by any capacity building providers to assess their organizational capabilities especially in developing countries.

Conclusion

This paper acknowledged that there is no acceptable framework in place for determining organizational capability of a voluntary organization that facilitates CCB. This paper also pointed out that many studies carried out on organizational capability focused on profit-making organizations and were not meant for voluntary organizations, because most of these studies view organizational capability from competitive advantage position.

Looking at the complexity surrounding assessment of organizational capability by different scholars for different circumstances then this paper developed assessment index for voluntary organizations from developing countries context through modification of Hawe, et al.'s (1997) model on capacity building (as shown in Diagram 1 above). This paper suggests that if a voluntary organization can manage its relationship with various partners and stakeholders, and also if it can take care of the three action areas explained above (see Diagram 2 and Table1 above) with adequate consideration to the external factors/interventions then it can strengthen its contributions to CCB by providing enough CBIs toward communities' socioeconomic problems. This paper infers that this current assessment index can be used as a benchmark by any capacity building providers to assess their organizational capabilities especially in developing countries.

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