



# Results Matter

## Capacity Building Project



## Capacity Building Project Strengthens Health Nonprofits in Georgia

This edition of *Results Matter* reports findings of a focused evaluation of Healthcare Georgia Foundation's Capacity Building Project (CPB). Since 2004, the Foundation has partnered with the Georgia Center for Nonprofits (GCN) to strengthen health nonprofits in Georgia through organizational assessments, technical assistance consulting, training workshops/peer learning, and coaching. During a nine-year period, 53 nonprofit health organizations have been served. Approximately half of these organizations are past or current Foundation grantees, though the program was made available to nonprofit health organizations regardless of grantee status.

The Capacity Building Project fits within the grantmaking priority area of *Strengthening and Sustaining Health Nonprofit Organizations, Programs, and Workforce*. The Foundation is committed to building effective nonprofit health organizations that have the capacity to develop, deliver, and sustain high-impact health programs, services, and supports. Further, it is believed that high-performing organizations delivering effective programs will achieve better health outcomes for clients, consumers,

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and patients, ultimately contributing to its mission of advancing the health of all Georgians. Thus, capacity building services are an essential component of the Foundation's grantmaking and direct charitable activities.

Since inception, the Foundation has invested in a variety of capacity building strategies in addition to the Capacity Building Project with GCN. These include the Evaluation Resource Center, General Operating Grant Program, and the *HealthTec*<sup>d</sup> Distance Learning Program, as well as the statewide *Connections* conferences for grantee and partner organizations. Accordingly, the Foundation has begun to reflect on these efforts, asking itself if appropriate and effective services are being provided.

After nine years of implementing the CBP without a formalized evaluation plan in place, the Foundation commissioned a retrospective evaluation. The evaluation was conducted January through August, 2013 by *Community Evaluation Solutions* (CES). In addition to the Foundation board and staff, important stakeholders included GCN staff and consultants, participating nonprofit health organizations who had received services, and the larger community of health nonprofits in Georgia that stand to benefit from lessons learned about best practices in organizational capacity building.

The goals of the evaluation were: 1) to determine the impact of the project on organizational capacity; 2) to discover factors leading to success; 3) to understand participants' challenges; and 4) to identify where the CBP could be improved. Specific evaluation questions addressed the services provided and evolution of the model over time, resulting outcomes, success factors, challenges faced, and benefits to the Foundation. In addition to the findings, this report includes a summary of the evaluation methods used, lessons learned, and recommendations for the future of the program.

The Foundation subsequently held an *Evaluation Grand Rounds* that included an internal review of the program, the evaluation results, and potential next steps. The Foundation looks forward to sharing the lessons learned from this evaluation, and further improving capacity building efforts that reflect the needs of health nonprofits throughout Georgia.

## OVERVIEW OF THE CAPACITY BUILDING PROJECT

Many nonprofits struggle to achieve and maintain an essential threshold of organizational capacity. Throughout the developmental lifecycle of the nonprofit, its capacity –and therefore its effectiveness changes. As the theoretical basis for the design of the CPB and its evaluation, four core capacities that comprise organizational effectiveness have been identified: 1) leadership capacity, 2) adaptive capacity, 3) management capacity, and 4) technical capacity. The Capacity Building Project, one of several capacity building programs supported by the Foundation, was piloted in 2004 and is now in its fifth phase. Since the CBP's inception, Georgia Center for Nonprofits provided 53 health nonprofits in Georgia with 82 services designed to build organizational capacity. The Foundation engaged Community Evaluation Solutions to conduct an evaluation of the CBP in 2013.

### The Four Core Capacities\*

**Leadership Capacity:** The ability to create and sustain a vision, to inspire, to model, to prioritize, to make decisions, to provide direction, and to innovate – all in an effort to achieve an organization's mission.

**Adaptive Capacity:** The ability to monitor, assess, respond to, and create internal and external changes. This includes evaluation.

**Management Capacity:** The ability to use resources effectively and efficiently. It includes the effective use of human resources, technology, data, and strategic partnerships to achieve one's mission.

**Technical Capacity:** The resources (e.g. skills, experience, knowledge, financial resources, tools, facilities, technology, etc.) needed to implement all programmatic, organizational and community strategies.

\*Adapted from the TCC Group

Originally, the 2004 pilot program provided 15 nonprofit health organizations with organizational assessments (Phase I). The assessment enabled each participating nonprofit an opportunity to examine management and governing practices, and recommended action steps for building capacity and delivering effective and sustainable services. For Phase II of the program, carried out in 2006, GCN conducted an additional 15 nonprofit

organizational assessments and delivered capacity building services to a combined 30 total nonprofit health organizations participating in the program. In 2007, the Foundation and GCN implemented Phase III and delivered organizational assessments, capacity building workshops, and executive coaching to 14 organizations. Phase IV provided services to nine additional health nonprofits in 2010. Launched in 2012, Phase V included executive coaching, technical assistance/management consulting services, capacity-building workshops, GCN Nonprofit CEO, and other GCN programs. This phase continued throughout 2013.

characteristics and turning points of participating organizations' development. CES conducted a literature review of capacity development, reviewed participant documents and program materials, conducted an online participant survey, and conducted key informant interviews. The table below depicts Capacity Building Project participation in the evaluation.

### Participation in Evaluation

GROUP	NUMBER OF ORGANIZATIONS	PERCENTAGE
Total CBP Participants	53	100%
Survey Respondents	38	72%
Document Review & Interviews	20	38%

CES worked with key stakeholders to select the 20 participants included in the document review and interviews. Participants selected represented a broad range of organizations by mission, services received, location, grantee status, phase of participation, and outcomes. Final participants included 10 health nonprofits from the metro Atlanta area and 10 outside the metro Atlanta area, 11 nonprofits that were Foundation grantees and nine that were not, and seven nonprofits that received all three services.

### Literature Review

The literature review identified information both in the field of capacity building and in peer-reviewed journals about organizational capacity and was used to frame the evaluation. Twenty-six articles were included, dating from 2000 to October 2012.

### Capacity Building Project Document Review

CES reviewed a total of 93 documents specific to the 20 CBP participating organizations selected for stakeholder interviews. Each organization's documents were reviewed in terms of: a) the capacity building services received; b) the time frame of the services or the date of the document; c) who provided the services (if applicable); (d) who directly received the services (if applicable or noted, e.g., in coaching, the executive director received the services); (e) capacity building goals that were explicitly identified; (f) accomplishments achieved as a result of the services; and (g) the presence of a focus on the four core capacities of organizational effectiveness (i.e. leadership capacity, adaptive capacity, management capacity, and technical capacity; see insert).

### Capacity Building Project Participant Survey

Of the 53 organizations that have participated in the CBP since its inception, 47 of them (89%) are still in existence. CES developed

## CBP Services Defined

**Organizational Assessment:** A nonprofit consultant conducts a holistic assessment of the organization (e.g. structure, governance, operations, etc.) and proposes recommendations and an action plan to implement necessary changes.

**Coaching:** A professional coach advises the organizations leadership on their management and interpersonal issues and provides support.

**Consulting:** A professional technical assistance consultant facilitates the planning and implementation of a defined task in the organization (e.g. strategic plan, board development, fund development).

**Workshops:** GCN consultants provide interactive training workshops on a variety of subjects designed to build internal organizational capacity; organizations may attend with up to 4 people.

## EVALUATION

### Purpose

The purpose of the evaluation was to help the Foundation better understand the CBP's strengths and weaknesses, benefits, and impact in order to improve upon the program and make decisions about the future direction of the program. In addition, the Foundation hopes to encourage other funders to consider a similar investment in organizational capacity building.

### Methodology

CES employed a mixed-method case study approach to examine a selection of CBP participants. The primary goal was to identify ways the program could be improved and to determine key

and administered an online survey to these 47 organizations. The purpose of the survey was to gauge participant satisfaction, gather information about participants' experience in the program and their capacity prior to and after involvement in the program, and to identify factors associated with success and positive outcomes. Thirty-eight of the 47 organizations responded to the survey, for a response rate of 81%.

Nine organizations did not respond to the survey. Three organizations (6%) did not respond to the survey because there were no remaining personnel at their organization who had been present during their organization's participation in the CBP. The six remaining organizations did not respond to emails or phone calls about the survey.

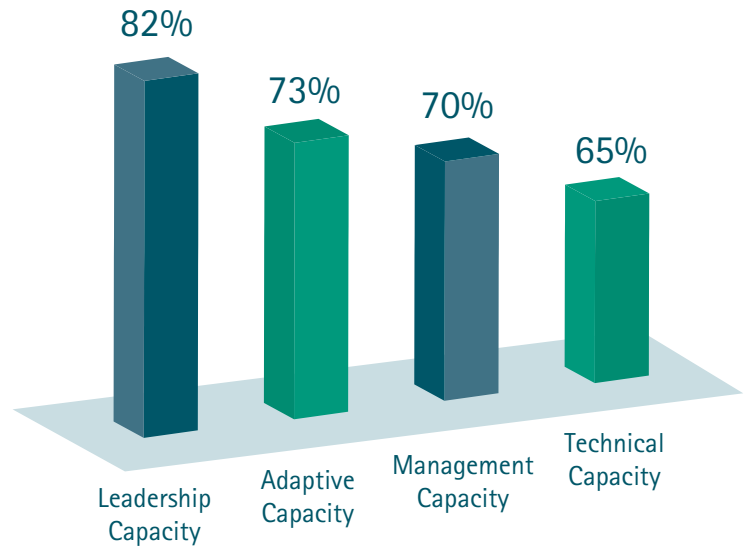
### Stakeholder Interviews

CES conducted stakeholder interviews both in-person and over the phone. The president of the Foundation, the two senior consultants who managed the project, and three executive directors were interviewed in-person. Six GCN consultants that provided services, six board member participants, and the remaining 17 executive directors were interviewed over the phone. With permission of key stakeholders, all interviews were recorded and subsequently transcribed.

## RESULTS

The evaluation suggests that the CBP is effective in building capacity for participating organizations, even among those with simple structures and/or are at an early or more formative stage of development. Eighty-three percent of survey respondents reported improvement in their overall capacity after participating in the CBP. As noted by one survey respondent, "Our organization has become a lot more effective and efficient as a result of the CBP program." The document review, interviews, and survey findings all indicate that the CBP contributed to increases in the four core areas crucial to organizational effectiveness, with the highest improvement in leadership capacity (82%) and the lowest improvement in technical capacity (65%) (See the following figure). Additionally, 70% of respondents (n=37) strongly agreed that their organization had achieved the goals they established for the CBP. An additional 19% somewhat agreed that their organization accomplished their goals.

### "Above Average" or "Excellent" Improvement Reported In Four Organizational Capacities



### Leadership Capacity

Program documentation, survey results, and interview data indicate that leadership capacity was significantly enhanced through CBP workshops and coaching. For example, leadership capacity was enhanced through the CPB's efforts to promote board development. Executive directors engaged and developed the leadership of the boards of directors by collaborating with them in:

- Instituting a number of procedural changes;
- Clarifying expectations for board members;
- Developing functioning committees;
- Scheduling regular board and committee meetings;
- Establishing organizational goals; and
- Recruiting additional board members to fulfill ethical standards and/or to meet the board's governance role.

For some organizations these developments worked to create more independent boards that reduced their reliance on the executive director. Ultimately, executive directors and board members gained a better understanding of what constitutes an effective governance structure.

Participating organizations' leadership capacity also improved through the growth and development of the executive directors. Board members and consultants specified that executive directors learned how to delegate tasks and how to interact effectively with staff. As a result participating nonprofits gained more effective leaders better capable of facilitating the achievement of their organizations' mission.



## Adaptive Capacity

Organizations also improved in adaptive capacity. The strategic planning process facilitated by the CBP helped to clarify the organizations vision and mission, to become more results-focused, and to clarify and strengthen roles for staff and board members. Executive directors agreed that board members were better able to support the strategic planning process and were more committed to participating in strategic planning than prior to the CBP engagement.

Organizations created an internal culture of learning by diffusing knowledge they learned through their participation. Networking at workshops unexpectedly resulted in a learning community: CBP participants created strategic alliances to help achieve their goals.

The CBP inspired organizations to have a different perspective by:

- Increasing their commitment to ongoing capacity building;
- Becoming forward-thinking in their efforts to achieve their missions; and
- Collaborating with new partners in their community.

Overall, CBP participants learned to monitor, assess, and adapt to change, and were encouraged to be open to continuous improvement.

## Management Capacity

Executive directors noted several improvements in management capacity, specifically in their ability to delegate resources, regularly evaluate staff performance, and adopt organizational procedures that improved operations. The CBP provided an opportunity for open dialogue between the board of directors and the staff of the organization that resulted in improved management capacity.

## Technical Capacity

Although CBP participants reported less improvement in technical capacity than in the other core capacities, the outcomes they did experience included:

- Marketing their work to their respective communities;
- Implementing electronic record-keeping systems;
- Taking advantage of social media;
- Improving volunteer programs;
- Assuring employees have the necessary skills for their jobs;
- Providing opportunities for professional development; and
- Improving organizational financial stability.

## CHALLENGES TO CBP PARTICIPATION

The survey respondents and the stakeholders interviewed identified the following challenges for participating in the CBP:

- Completing the work due to time constraints;
- Implementing the information they learned;
- Getting to workshops due to the time required to attend the workshops, the time required to travel to the workshops, and scheduling difficulties with staff and board members;
- Weak leadership within the participating organizations;
- Low board member participation;
- A lack of understanding of the time and commitment required to participate;
- Limited resources; and
- Beginning participation later than other organizations in a particular phase.



## Readiness Factors

Findings indicate that certain readiness factors may prime organizations for success. These factors include pre-existing organizational capacity, commitment, engagement, and skilled and determined leadership. It is believed that these readiness factors, along with the CBP services, lead to an increase in organizational capacity. While some of the less mature organizations that entered the CBP were able to make progress, some basic organizational structure (board members and by-laws) is required in order to benefit from the CBP. A level of commitment is needed on the part of the executive director, the board chair and board, and staff, and these parties need to remain engaged throughout the process. Finally, the skilled and determined leadership of the executive directors is necessary to ensure that the organization benefits from the CBP.

## Success Factors

The evaluation data also indicates that there are other factors, which contributed to an organization's success in the program. For example, in order to gain maximum benefit from the program, participants should:

- Fully participate in CBP services;
- Have a willingness to learn and implement best practices;
- Collaborate with others (CBP participants, community partners etc.);
- Have staff members that are capable of implementing organizational change strategies;
- Implement the knowledge gained through the CBP;
- Have clear expectations of the CBP services; and
- Be willing to diffuse the knowledge gained throughout the organization.

There were other success factors related to the project, and these too contributed to the participants benefitting from the program. Many participants were appreciative of the fact the CBP was free to participants. Many organizations used the CBP as professional training for their staff and board. The focus on board development was also seen as a strength of the program. Participants who received consulting services were pleased at how consultants were matched to the needs of participants. Finally, participants emphasized that GCN's senior consultant was a dynamic, experienced, and well-respected project coordinator.



## LESSONS LEARNED

The evaluation of the CBP suggests that participating health nonprofits benefitted by their participation in Healthcare Georgia Foundation's Capacity Building Project through the combination of the organizational assessments, skill-building workshops, technical assistance consulting services, and executive coaching. Simple as well as more complex organizations reported growth in their organizational capacity. Several respondents cited positive outcomes from their participation including growth in leadership capacity, better board relationships, increased collaboration with partners, strengthened financial stability, and stronger strategic planning among others. In summary:

### Quality leadership matters.

The organizations that reported growth in capacity were characterized by skilled and determined leadership. The executive directors in these organizations were relentlessly committed to continuous improvement, and more willing to collaborate with others, both internally within their organizations, and externally in their communities and networks. Quality leadership is most critical in the relationship between the executive director and the board of directors.

Preparation goes a long way. Organizational readiness for capacity building also proved to be a crucial component to success. Certain organizational characteristics define this readiness and can act as an indication of whether or not an organization is truly ready to engage in capacity building efforts. These



organization characteristics include: 1) a highly engaged and functioning board of directors or a board of directors with the potential to be developed into such a board; 2) a commitment to capacity building from the full staff, board of directors, and executive leadership; and 3) a pre-existing level of organizational capacity demonstrated by having a strategic perspective towards their operations.

### Where there's a will, there's a way – but there needs to be a will.

Organizations need to be willing to assess their strengths and be honest about their weaknesses in order to identify the changes necessary for the organization's improvement.

### You need to walk the walk.

A crucial factor in successfully building capacity is implementing best practices for organizational sustainability. Those organizations that implemented changes proactively, according to best practices, were the most fruitful in their efforts.

### Comprehensive capacity building is most effective.

The participants that benefited most from the CBP engaged in comprehensive capacity building efforts. They initially assessed the organization's overall strengths and weaknesses and then they addressed the areas of concern that arose from the assessment.

They did not just “put out fires” to address crisis areas in the organization. Rather, they worked to strengthen the organization's infrastructure at the foundational level and then addressed individual areas that needed improvement.

### One size does not fit all.

Capacity building is most effective when it is personalized. Each organization is in a different stage of development, and each has its own needs. Being able to identify and address specific needs in the organization at different levels allowed organizations to build sustainability.

### It takes a village.

All levels of personnel must be engaged in capacity building for it to be successful. Including the staff and board members from the outset of capacity building efforts will allow the organization to build capacity more effectively and to foster a culture of improvement. Having a culture of continuous improvement greatly increases organizations' sustainability.

### No organization is an island.

Through networking at workshops, executive directors learned from each other different techniques for addressing common challenges. They also enhanced their organizations' programming by forming partnerships with other organizations.



# Foundation Reflections

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## ABOUT COMMUNITY EVALUATION SOLUTIONS:

This issue of *Results Matter* has been adapted from a final evaluation report submitted by Ann Price, PhD, Community Evaluation Solutions. Community Evaluation Solutions provides program development and evaluation services throughout Georgia and the United States, and works with with nonprofit organizations and public health agencies in many areas including substance abuse prevention, education, after-school programs, violence prevention, and public health among others.

## ABOUT RESULTS MATTER:

Healthcare Georgia Foundation is strongly committed to improving program outcomes through ongoing evaluation. *Results Matter* is published as part of the Georgia Evaluation Resource Center (ERC) and its suite of evaluation tools and services tailored to help nonprofit health organizations achieve better outcomes by enabling them to understand their performance, revise and plan accordingly, and communicate results to their stakeholders. For more, visit [www.georgiaerc.org](http://www.georgiaerc.org).

**HEALTHCARE GEORGIA FOUNDATION** is a statewide, private independent foundation whose mission is to advance the health of all Georgians and to expand access to affordable, quality health care for underserved individuals and communities.

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The evaluation of the Capacity Building Project produced findings and recommendations that will prove useful for the future structure and function of the program.

- 1. Governance:** The CBP is positioned under the *Strengthening and Sustaining Health Nonprofit Organizations, Programs, and Workforce* priority area, and will continue to be a *Direct Charitable Activity* of the Foundation, separate from the Foundation's grantmaking program. The program will be branded by the Foundation, which will immediately assume direct oversight and administration of the program moving forward. CBP continues to be a valuable service for nonprofits regardless of status and may serve a unique role as a pipeline for future grantees.
- 2. Target Population:** The evaluation provided useful information about the organizational prerequisites for the program and who is most likely to benefit from the services provided. Accordingly, the Foundation will create an application process promoting the selection of "best fit" organizational candidates. In particular, this program may prove to be a relevant and useful precursor to organizations that wish to be competitive for the Foundation's General Operating Grant Program. And, finally the Foundation will limit future program participation to those in the nonprofit health sector who have not participated in the past.
- 3. Services:** Four unique services were highlighted in the evaluation – Organizational Assessment, (Strategic) Technical Assistance, Training Workshops, and Coaching. Although the findings indicated that coaching is an important service of the program, the Foundation will remove coaching services from the program and offer coaching support directly through other Foundation efforts.
- 4. Evaluation:** While evaluation results are positive, going forward the Foundation will implement a continuous improvement evaluation system in order to capture program results and maximize benefits from program participation. The evaluation will include further attention to metrics that can be used to assess pre-and post-program changes.

The aforementioned program enhancements are being made in an attempt to address evaluation findings. The Foundation looks forward to engaging its partners in a shared commitment to improving the capacity of health nonprofits for the benefit of their clients, consumers, and patients.

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