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organization development
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# Capacity development – the four interlinked dimensions

A. Background

Understanding CD as a multi-dimensional endeavour implies a connection between *capacity* (abilities, skills, competencies) and *performance* (achievements). Capacity for what? *Capacity,* in the narrower sense of the word, primarily refers to the acquired ability and competencies of people and organisations to effectively and efficiently perform a task. However, c*apacity* does not refer only to the practical performance. It also includes **intangible, soft abilities**: the ability to learn, cooperate, and change, capacity for self-reflection and willingness to learn, as well as communicative and social competencies to articulate one's own interests, participate, and peacefully resolve conflicts.

The performance of these **soft capacities** refers also to inter-organizational arrangements and cooperation management between different public and private actors, e.g., conforming networks, clusters etc. In addition, the overall capacities need to evolve in an enabling environment in terms of institutional norms and incentives. Therefore, institutional development is an indispensable dimension of capacity development processes.

Change processes are based on **shared values** and the **commitment** that the participating individuals are willing to invest to the process. CD must be desired by the actors. Their differing perceptions and perspectives are thus the starting point for process consultancy.

Capacity development / CD is not a quick fix. The following *butterfly* provides at a glance a first idea of the four interlinked dimensions.
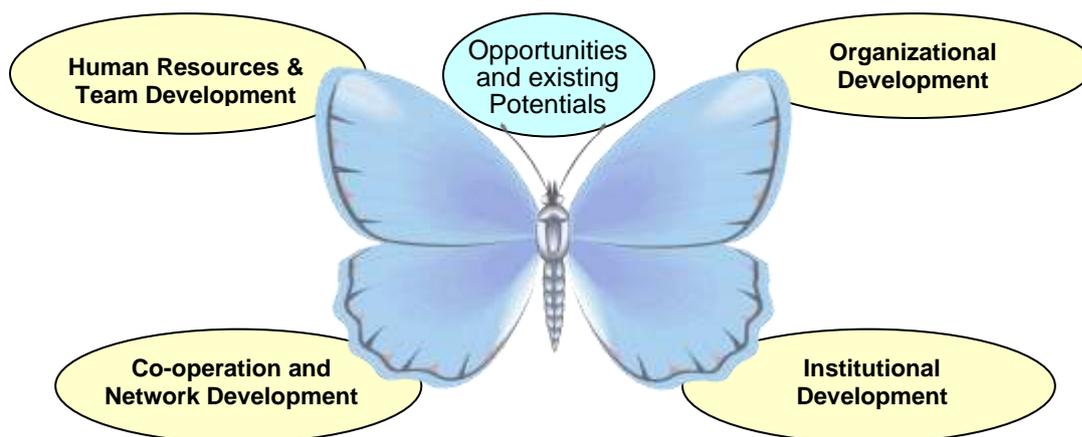
B. Qualitative characteristics and interplay of the four dimensions

CD consists of **four core processes** that mutually determine and strengthen each other. When cooperation programmes in developing countries support these processes, it should be carefully assessed what best fit mix of these dimensions should be applied. In some cases, CD can be focussed on brokerage of knowledge and networking, in other cases intensive training programmes of different target groups and change management in organizations may be required.

(i) Human Resources Development & Team building- Purpose: Promoting individual and team abilities, knowledge base, capacities and technical skills for performing well their tasks by strengthening their learning and cooperation capacity, self-reflection, values, abilities and skills.

(ii) Organizational development and Change management - Purpose: Organizational learning and increased efficiency and flexibility of an organization through definition of mandate and core services, coordination and interfaces, division of labour and structure, decision making and leadership.

(iii) Co-operation and Network Development - Purpose: Building up and strengthening co-operation and co-production between organisations, alliances and networks for the exchange of knowledge and research, complementary coordination of initiatives and tasks and joint ventures.

(iv) Institutional development - Purpose: Negotiation of conducive and favourable legal, political, and socio-economic framework conditions for CD, so that people, organisations, and cooperation arrangements can develop their abilities and competencies and increase the overall efficiency of organizations and networks.

> **Neglecting the interplay between these four core processes can lead to serious degradation or even balk the impact of CD measures.**

In addition, there is a crucial **cross-cutting topic** that needs special attention: **Empowerment** as a transversal topic to strengthen equality plays a key role for CD. The purpose of this complementary process is to ensure that disadvantaged, vulnerable, excluded or marginalized stakeholders strengthen **their resilience and gain equal access** to opportunities, rights and resources to actively participate in political debate and decision-making processes. Thus, empowerment may also be necessary at the normative and institutional level to promote and enable disadvantaged stakeholders so they can express their views, negotiate as equal partners, and demand their rights.

C Strategic orientation

In each specific context, both delivering quality and providing demand oriented advice to the four dimensions of capacity development pose formidable challenges.

Yardsticks

> 1 **Concept**: CD is a process by which individuals, teams, organisations, cooperation arrangements and institutions increase their ability to successfully tackle their problems and

apply their knowledge, skills and resources toward the accomplishment of their goals and the satisfaction of its stakeholders' expectations.[1]

2 **Four interlinked dimensions**: CD in its dimensions of training and team building, organisational change, cooperation management and networking, and institutional frameworks and reforms is a crosscutting issue of cooperation programmes. It applies also to formal education systems from kindergarten to postgraduate courses at university level.[2]

3 **Mode of delivery and ownership**: CD must be initiated and steered with and by involved partners. At initial stage, direct modes of delivery in close cooperation with future partners may be justified only when the scheme of CD needs developing. In order to be effective and sustainable, it is vital that CD be based on the expressed willingness of the partners to assume responsibility, make their own inputs and independently continue, adopt and refine the innovations achieved. The more actively the partners participate in defining the goals (in terms of target competencies), measures and modes of delivery, the greater their determination to assume ownership of the CD processes, the more closely they identify with measures and the greater their willingness is to continue on their own responsibility.

4 **Hard and soft capacities**: The term *capacity* has two basic interlinked dimensions: (1) Resources such as infrastructure, technology, finances, human resources (= *hard capacities*) and (2) Knowledge, Competencies and abilities, management and technical skills, i.e., technical skills for food processing, planning skills, internal process management, cooperation management and leadership skills (= *soft capacities*). It does not make sense to develop soft capacities when hard capacities are lacking.

5 **Institutional focus and transfer gaps**: The willingness of the involved partners to allow, adopt and enable acquired new capacities in their organisations and institutions, is a crucial prerequisite for CD. It does not make sense to develop capacities that cannot be transferred to and applied in the real work situation. Therefore, capacity development measures for real working units as a whole are more effective than individual training efforts.

6 **Selection criteria**: A prior selection criteria for CD projects is the proven opportunity and willingness to link up individual training, team building with organisational development, cooperation management and institutional development. Providers of CD measures should be trained up to acquire this multi-dimensional understanding.

7 **Horizontal linkages**: CD has to be seen as a change process. In the background of a system with large power distance and few horizontal communication linkages, these value-oriented processes should focus on shaping cooperation between different actors and Government institutions, strengthening horizontal communication and linkages.

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[1] The conceptual framework is paramount. The understanding of CD presented here reflects a holistic, multi-dimensional approach. Most organizations limit the CD process to strengthening the skills and capacities of individuals and teams. This narrow view creates many pitfalls and frustrations, for example, if CD is reduced to training people, conflict can arise when they return to work and want to apply what they have acquired. Or: Organizational change and cooperation management without taking the institutional framework into account mean that these organizations are exposed to context-related restrictions that are difficult to cope with. Public-private networks with backward and forward connections and cooperation mechanisms based on comparative advantages cannot develop further their performance without taking into account the extent to which the institutional framework conditions create a favourable and enabling environment for economic, ecological and social development and - if possible – acting in a constitutional state and following democratic rule of law.
[2] The four dimensions in formal education systems are reflected in the acquired individual and group competencies, in the organization of the school and the cooperation management with parent organizations, other schools and linkages with the labour market, and finally in the norms and regulations shaping the institutional setting.

8 **Timeframe**: CD needs a long-term perspective and a consistent institutional approach that should not be sacrificed to short-term training measures. Capacities can only be built gradually over a period of time, and capacities thus developed can quickly fall into disrepair if they are not maintained, applied and utilized.

9 **Design of CD projects**: An effective contribution to developing capacities presupposes a systematic reflection by the involved partners about the planned reform process. When preparing CD projects, it is necessary to perform a *capacity assessment* in order to identify and assess the target competencies in various dimensions of CD. The following key questions must be answered:

Where are capacity gaps?
What impact is expected by closing the gaps? (impact hypothesis)
What are major target capacities / competencies in the four CD dimensions?
What are target groups for improving competencies and partners in CD?
What sort of interventions and modes of delivery can be used to close these gaps?
What resources are in place to perform CD projects and what additional resources are required?
Who is going to take responsibility for designing and operating the CD projects?
What is the road map in terms of milestones with specific objectives of the CD projects?
How can the CD scheme become sustainable and aligned to current development strategies?
What are most important performance indicators to measure progress in CD?
Who coordinates and monitor the progress of the CD projects?