

DRAFT BACKGROUND PAPER ON METHODOLOGY
DAC STUDY ON CAPACITIES, CHANGE AND PERFORMANCE

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1. INTRODUCTION

1.1. The European Center for Development Policy Management (ECDPM) located in Maastricht, The Netherlands, is currently conducting an applied research study under the auspices of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) in Paris on the subject of capacity, change and performance. This background paper sets out the purposes of the study, the focus of the research, some of the main methodological approaches and challenges, the proposed products and their dissemination.

2. THE REASONS FOR THE STUDY

2.1. The international development community and others have made progress over the last decade in coming up with a better understanding of capacity issues. The current state of knowledge is now a good deal less technocratic and mechanistic and more comprehensive than a decade ago. But issues to do with organizational capacity, change and performance remain complex, elusive subjects. They resist quick progress. They also receive a tiny proportion of the overall research funded by the international development community despite the rhetoric about their importance to achieving objectives such as the Millennium Development Goals. The main reason behind this study is to redress this imbalance by generating new thinking and levels of understanding about capacity issues.

3. THE DESIGN OF THE STUDY

3.1. More specifically, the study will give special attention to three issues during the research and analysis:

- The nature of ‘capacity’; how it emerges and evolves, what comprises it, what sustains it and what enables it to make a difference in terms of performance.
- The nature of ‘endogenous’ change: how change, in terms of capacity development, unfolds at different levels and in different organizations and systems.¹
- The nature of performance: what it means, for whom and at what level

3.2. The study will have two main aspects. First, on the conceptional side, it study will develop some ideas grounded in practice about capacity, change and performance.² It will aim more at generating concepts and new perspectives than at providing descriptions or testing theories. The study will concentrate on the ‘why’ and the ‘how’ as well as the ‘what’.

3.3. Second, once the study sets out the ideas and patterns coming out of the research, it will address the ‘so what?’ or the operational questions, i.e. what and how, in general terms, can

¹ By the term ‘systems’ we mean any interacting or collaborating group of organizations.

² The term ‘capacities’ is used in this paper to mean the ability to perform or achieve some objective. It is used instead of the terms ‘capabilities’ or ‘competencies’ or ‘abilities’, all of which also appear in the development cooperation literature. The term ‘organizational’ as used in this paper refers both to the organization as a unit of analysis and also to the type of activity (e.g. organizational as opposed to technical or financial performance).

practitioners do differently to make their interventions more effective in support of capacity and performance improvements. To target these operational aspects, we will, for example, be asking DAC Members to specify issues of interest about capacity and performance that can be addressed directly in the report.³

3.4. The *specific purposes of the study* are therefore the following:

- To enhance understanding of the interrelationships amongst capacities, organizational change and performance across a wide range of organizations and development experiences.
- To provide general recommendations and tools to improve the design and implementation of interventions, both endogenous and external, in support of improved capacities and performance.

3.5. The study has *five guiding hypotheses* which will be tested through different units of analysis including the organizational, the multi-organizational system, the sector and even the country.

- Different approaches to capacity development are contingent, meaning that they work best at different times and at different stages of the evolution of an organization or system depending on the circumstances.
- Capacities are themselves complex, integrated combinations of skills, attitudes, values and resources that depend on a degree of integration to be effective.
- The capacity of participants to think creatively, systematically and strategically about their own capacities can be helpful in guiding change and performance improvement.
- A capacity improvement approach can be strengthened by the application of a set of values, concepts, techniques and processes.
- The application of this set of values, concepts, techniques and processes is useful across a broad range of sectors, organizations and systems and can be identified, learned and adopted by committed participants and external intervenors.

3.6. The *principal research questions* will be the following:

- What capacities are key in what situations? What are they composed of and how do they evolve?
- How do national participants understand and implement their efforts at capacity and performance improvement?
- How can the emergence or improvement of these capacities be better managed?
- What factors, internal and external, exert the most influence on the evolution of capacities?

³ This may be done through a quick survey of DAC Members.

- How and under what circumstances do these capacities contribute to performance?
- What can outside intervenors do to enhance capacities and performance?

4. BOUNDARIES TO THIS STUDY

4.1. These interrelated subjects of capacities, change and performance cover a huge range of issues including those to do with organizational design and adaptation, implementation, general management, organizational learning, governance, strategic management, institutional development and many others. To keep the scope of the study manageable within the resources available, some boundaries to the research and analysis will have to be set. Limited attention will therefore be given to the following subjects:

- development impact of projects and programmes⁴
- development policies⁵
- transferability of models and frameworks from other cultures and countries⁶
- community-driven development⁷
- dynamics of capacity failures
- societal governance⁸
- programme evaluation and assessment

4.2. This study does not intend to devise a universal theory of capacity or performance improvement. On some issues, we will be focusing the research to look for some recurring patterns of behavior and practice that show evidence of sustained effectiveness (e.g. the connection between organizational learning and capacity improvement). We hope to come up with ideas of operational use to practitioners. On others, the study will be content to suggest further lines of research that may be taken up by other groups in the years ahead.

4.3. Nor will it be in the business of coming up with a detailed prescriptive set of best practices or guidelines which DAC members should consider adopting. As mentioned earlier, the report will set out general conclusions which should be of interest to all those groups and organizations that are engaged in some sort of capacity improvement effort. They will then decide on the applicability and relevance of these conclusions for their own work.

5. THE ANALYTICAL FRAMEWORK

⁴ Many other development organizations (e.g. INTRAC in Oxford, England) are already working on the topic of developmental impact.

⁵ The nature and dynamics of policy making affect capacity and performance improvement and will be discussed in the report. But policy analysis is not the focus of the research and analysis.

⁶ INTRAC is making this issue a subject of their own research programme

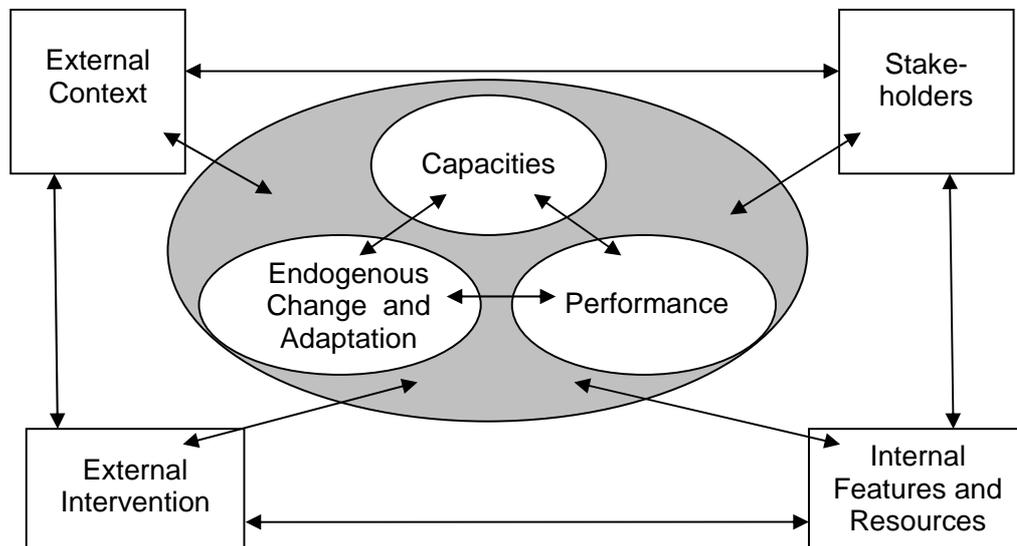
⁷ Again, the subject of a huge amount of international research

⁸ This is the subject of a good deal of work at the World Bank, Asian Development Bank, DFID and many others.

5.1.

5.2. The heart of the framework has to do with interconnected dynamics of capacities, change and performance. But this dynamic is shaped by four other factors: name the external context, stakeholders, internal features and resources and external intervention. We set these out in the graphic below. More details are available in Annex 1.

- external context
- stakeholders
- internal features and resources
- capacities
- endogenous change and adaptation
- external intervention
- performance.



5.3. The purpose of this analytical framework is to organize an inventory of issues and questions with respect to capacity and performance, to guide data collection and analysis and to ensure some basic level of comparability among the case studies both at the desk and field levels. The ECDPM research team will adjust and adapt the framework - and particularly the type and content of the issues and questions - as learning accumulates. The framework is not intended to be definitive at the outset.

6. THE MAIN SOURCES OF DATA AND INSIGHT

6.1. The study will be mainly qualitative, iterative and inductive in nature. Efforts, however, will be made to collect and analyze quantitative data wherever possible.⁹ It will also be mixed-method in nature and involve the gathering of data and insight from four basic sources - the various literatures and secondary sources, desk reviews of selected cases, field reviews of selected cases and field research on particular issues. The overall methodology will thus involve iteration and feedback. The research team may detect a pattern or correlation, then test it against a series of cross-case comparisons, perhaps rethink some of the research questions and then return to the field case work and the literature for additional evidence.

Various literature and secondary sources

6.2. The study is reviewing the various literatures and secondary sources that apply.¹⁰ The intent is to use the insights from these sources for two purposes: first, to look at the issues within the framework from a variety of perspectives such as organizational development, strategic management, soft systems thinking, the rational actor models and the new institutionalism and second, to give more substance and background analysis to the findings and patterns that come out of the case work. It should be remembered that the various literatures on capacity and performance are not well-integrated.¹¹ Most analyses operate from one or at the most two frames of reference only. This study will make an effort to bring a more coordinated perspective to its analysis and conclusions.

6.3. The specific sources of the secondary material will be the following:

- The development cooperation literature on capacity issues e.g. the recent UNDP three volume series on technical assistance and capacity development and includes evaluations carried out by, or for, international funding agencies.
- The overall international literature on development management issues e.g., the World Bank work on reconciling indigenous and transplanted institutions in Africa.
- The global literature on management and organizing e.g. organizational design, core competencies and networks.

Desk reviews of selected cases

6.4. The research team has begun reviewing desk cases using the analytical framework. About 250 cases have been selected from various sources including international funding organizations, academic writing and the general development literature. About thirty (30) cases have already been reviewed in the form of a 'meta-analysis'. Insights and data from the desk case studies, both qualitative and quantitative, will be organized to give us a rough sense of trends in the seven components of the analytical framework. These in turn will be compared with findings in similar surveys that already

⁹ Qualitative approaches are "the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little control over events and when the focus is on a contemporary phenomenon within a real-life context". R. Yin, 1984, *Case Study Approaches*, p. 13

¹⁰ The initial phase of this literature review is now complete.

¹¹ For example, the insights from much of the writing in the private sector on capability issues including much of the work on core competencies is largely absent from the development cooperation literature.

exist in the secondary literature¹². These results from the desk studies will be used to sort the capacity experiences of these cases into significant patterns, to add to case experiences for which a special demand exists and finally, to add refinements to the analytical framework and questions guiding the research.¹³

Field case work

6.5. Extensive case work at the field level will be a key part of the research program. The ECDPM team intends to carry out field research in a variety of countries around the world including both low-income and high-income.¹⁴ The number of field cases will depend on funding but ideally should be about twenty (20).¹⁵ The field case work will not be conducted in the form of an audit or an evaluation. Its purpose is not to find fault or assign blame or point out deficiencies. It is about learning from others. It is about understanding the reasons underlying effective capacity building and performance.

The production of discussion papers

6.6. Certain issues or patterns to do with capacity and performance improvement will appear and reappear during the course of the research. In the first two cases in the Caribbean and in the early draft of the meta-analysis, the needs for perceived legitimacy and a protected operating space for people intent on improving their capacities and performance seem to be closely correlated with performance. The study therefore intends to track these two issues in future cases and review the secondary literature for further background analysis. We also intend to produce a discussion paper on the general subject of capacities in the near future. Different researchers on the ECDPM team will have responsibility for following different issues.

7. THE ANALYTICAL METHODOLOGY FOR THE FIELD CASES

7.1. The approach to field research will vary from case to case. In some instances, field participants will prefer to have ECDPM researchers do the field work and write up the results provided the field participants are consulted on the findings.¹⁶ In other cases, a combination of ECDPM researchers, local consultants and staff members may carry out the data gathering and analysis. In still others, field participants may want to take the lead role in doing the case work and using it as an opportunity for self-assessment and learning. The involvement of researchers from those international funders supporting the study can also be accommodated. Provided the ECDPM team can be assured of a satisfactory level of case quality and comparability, it will be prepared to support a variety of

¹² See, for example, the results of the surveys in Sandford Borins, *The Challenge of Innovating in Government*, February 2001. Also *Partnering to Build and Measure Organizational Capacity, Lessons from NGOs Around the World*, an inquiry sponsored by the Christian Reformed World Relief Council

¹³ One example is that of building capacities for trade negotiations

¹⁴ The balance of these field cases will be in low-income and transitional countries but we are making provision to include a series of cases from Canada, the Netherlands, the USA and Great Britain. The rationale is that issues to do with capacities, change and performance are universal.

¹⁵ There is a debate in the research literature about how many cases are needed to make up a sample. Much depends on the range and similarity of the cases. The proposed target of twenty (20) field cases for this report reflects the scope of the research.

¹⁶ In the first two cases in the Caribbean, both organizations preferred this approach given the pressure of other tasks and shortages of staff.

approaches that can offer multiple perspectives and a range of insights. The field cases themselves would proceed through the following stages:

Selecting field cases

7.2. The choice or sample of field cases will be made by the ECDPM research team on the basis of a range of criteria as set out below. The intent would be to cover a variety of capacity and performance issues that can supplement the research in the desk cases and the secondary sources. We would intend, for example, to have a certain proportion of cases (at least 50%) that have major ‘systems’ or multi-organizational aspects as opposed to those that are best analyzed from the perspective of a single organization.¹⁷ This ‘systems’ topic merits special attention given its importance for the analysis of many current programs and sector-wide approaches. We will also need a balance among NGO, private sector and public sector cases. The study will seek out examples of *effective* capacity and performance improvement¹⁸. The emphasis in the research will be on analyzing success rather than failure¹⁹. We are particularly interested in looking at cases where national actors have improved their capacities and performance under difficult conditions.²⁰ And we are interested in cases that appear to be polar opposites (e.g. partnerships for capacity improvement in very different kinds of organizations) to see if patterns emerge out of such comparisons.

7.3. The general criteria for field case selection would be as follows:

- The potential substantive contribution to the research e.g. the opportunity to analyze certain types of capacity and performance issues.²¹
- The remaining gaps in the study research
- The amount of secondary data and analysis already available from the particular case
- The interest and commitment of field participants²²
- The geographical location and balance within the overall study
- The projected costs and level of effort required to complete the cases
- The preferences of funding agencies
- The preferred time and schedule of the participating organization(s)

¹⁷ The term ‘multi-organizational’ refers to a range of organizational configurations including two organizations in a partnership of some sort, a formal network of organizations and finally, a group or cluster of organizations connected into some sort of loose set of working relationships.

¹⁸ It is difficult to be precise about the criteria for ‘effective’ performers for three reasons. First, we may look at cases in which average performers have achieved success in building particular capabilities. Second, we have been unable to set uniform criteria that could cover the range of field experiences under consideration (for an operational example of these kind of criteria at work, see Jim Collins, 2001, *Good to Great: Why Some Companies Make the Leap and Others Don’t*, Chapter 1). Third, ‘objective’ criteria must be balanced off against operational constraints in terms of costs, local commitment and others mentioned above.

¹⁹ This follows on a long tradition of looking at positive examples. See Barry Kibel, 1999, *Success Stories as Hard Data: An Introduction to Results Mapping*. Also R.O. Brinkerhoff, 2003, *The Success Case Method*.

²⁰ We hope to include case studies from Low-Income Countries Under Stress (LICUS).

²¹ Experience to date indicates that each case will have a particular contribution or comparative advantage that will need to be emphasized. A potential case in local government in The Philippines appears to have a good deal to offer on capacity and performance assessment. Another in trade capacity development in Russia can trace a clear evolution of capacities over time.

²² The first two cases reinforced the value of having one or two people in the participating organization that are committed to the work and see it as a valuable learning exercise.

7.4. We will make best efforts to come up with a representative set of cases from the huge potential base of development examples. A further challenge will be to generalize findings to theory rather than to other cases, in other words to avoid assuming that one experience can be replicated in another environment.²³

Focusing on key themes

7.5. The study cannot focus on all the interesting themes that appear in all the field cases. To focus the analysis, the research team will have to do two things simultaneously:

- First, maintain a selected set of key themes that should be followed across all cases. These will flow out of the principal research questions set out in Section 2.5. above and are reflected in the more specific questions listed in Annex A.
- Second, the research teams will have to be ready to spot the emergence of new or less obvious issues or questions that go beyond the initial set. The overall set of key themes may - and should - evolve as learning accumulates through the research.

Crafting case study research instruments

7.6. Each field case will have to set a balance among three main objectives:

- The analysis coming out of the case must be sufficiently comparable to the other cases so as to contribute to the overall direction of the research.
- Given the limited time and resources available for each field case, decisions will have to be made early about the comparative advantage of that particular case and its special contribution to the research.
- The design of the case study will have to be adjusted to meet the preferences and capacities of the field participants who in some cases, will actually be doing the field research.

7.7. The intention thus will be to reach early agreement on a research design with the field participants setting out the boundaries of the case, the hypotheses and the research questions or constructs that would focus the analysis. The protocol would also deal with the data to be collected, the data collection method, the responsibility for data collection and analysis, the approach to writing up the findings and finally, the way in which the case study will be approved for final distribution.

Data collection

7.8. Each study team, however composed (see paragraph 6.1), will specify the data collection methods tailored to the particular situation of the case.²⁴ Researchers will, in the time available, obtain information through multiple sources such as workshops, direct observation, focus groups, basic surveys and questionnaires, semi-structured interviews, group techniques, interviews with key

²³ See Robert Yin, p. 39

²⁴ See Michael Bamberger (ed.), 2000, *Integrating Quantitative and Qualitative Research in Development Projects*, The World Bank

informants, and documentation such as evaluations. Efforts at triangulation will be made wherever possible. Research teams will have to be alert to new data collection opportunities as the work progresses. Certain analytical tools such as stakeholder mapping are readily available for team use. Others such as those for mapping capacities may need further development as the study proceeds.

7.9. The research team will also consider the use of a learning workshop which could be used by both study researchers and field participants to assess the past trends and the current state of capacities and performance in a particular case. The approach of such a ‘rapid organizational assessment’ workshop may use some of the techniques of appreciate inquiry which is well suited to uncovering patterns of effective capacity and performance.

Data analysis

7.10. The overall research team will need to carry out data analysis at a variety of levels. The ‘within-case’ analysis will be done by the case study team and/or by national participants. Some overlap among data collection, coding and analysis is possible at this level. We see no standard format for such analysis particularly given the range and type of field cases. The emphasis would be to provide explanation through highlighting emerging patterns and causal connections.

7.11. The ‘cross-case’ search for patterns will need special attention. The research team may focus on certain categories or issues (e.g. the capacity to learn) and then look for both cross-case similarities and differences. Clustering cases (as discussed below in Section 7) will be another option. The team is also reviewing the possible use of the software programme MAXqda to help with the analysis of the qualitative data. This programme has recently been applied to a research study on the evaluation of capacity issues by the International Service for National Agricultural Research with good results.

7.12. The approach to the actual writing of the case will be matched to the circumstances. In some instances, an ECDPM team member may take on the task with the agreement of the field participants. In other situations, participants may wish to use the opportunity to do the writing as part of their own efforts at learning and staff development.

Shaping hypotheses and patterns

7.13. The research team will search for hypotheses and patterns that can address the ‘why’ questions. Such patterns arising from the individual cases and the cross-case comparisons should begin to emerge at an early stage.²⁵ The researchers will then compare these emergent findings with the evidence from each succeeding case in order to test their validity. The underlying logic here is that of replication, that is, using each new case as an experiment to confirm or questioning the emerging pattern.²⁶ The researchers would also try to avoid predetermined theoretical formulations at the early stage of the analysis in order not to bias the data collection and analysis.

7.14. In practice, the study is trading-off tight comparability amongst the field cases, i.e. a cohort of similar organizations or development experiences in the same sector, in order to search for broader patterns of capacity, change and performance that may emerge - or not - from the diversity of global

²⁵ For example, one of the first cases, that of the Environment and Sustainable Development Unit in the Organization of Eastern Caribbean States has led to an initial hypothesis about the ‘hard’ and ‘soft’ components of effective capacities.

²⁶ A useful guide to this issue is Kathleen Eisenhardt, 1989, “Building Theories from Case Study Research”, *Academy of Management Review*, vol.14, #4.

experience. Research that relies only on case studies of similar actors and experiences can lead to theories that are narrow or idiosyncratic and relate only to specific issues. The challenge in this study will be to put together a synthesis of interpretive research that can come up with grounded theories and hypotheses on capacity issues that are of help to practitioners.²⁷

Comparing against secondary sources

7.15. A separate phase will be looking for both similar and conflicting patterns in secondary sources with a view to further addressing the ‘why’ question. The goal here is to connect emerging hypotheses to the existing literature in order to strengthen validity and generalizability.

8. METHODOLOGICAL CHALLENGES

8.1. We are assuming that the experience of capacity, change and performance improvement across a range of countries, sectors and types of settings can provide some deeper insights into the overall process and pattern of capacity development and performance improvement. How, for example, does the idea and practice of enhancing capacities change as the focus moves from small NGOs in low-income countries to larger multi-organizational systems in high-income countries? The analysis is not searching for a ‘one best way’ that can be applied regardless of the setting or purpose. Our more modest objective is that of highlighting some promising patterns across a range of settings which others may consider adapting for their own purposes. This approach, however, gives rise to a number of methodological challenges which are discussed below.

Balancing the needs of comparability and customization

8.2. The study needs rough comparability amongst the desk and field cases in order to facilitate the overall analysis. But the intent is not to have field participants simply fill in the data gaps according to preset criteria. Their special insight based on a unique experience will add to the richness of the study. Each case will therefore need to respond to some degree to the preferences of the field participants. The ECDPM team will have to reach an agreement with the field participants on both which issues should be given special emphasis and which should be compared across cases. Actively managing that balance between comparability and customization will be a key to the implementation of the study. Ideally, at least one ECDPM researcher will participate in each field case in order to help assure that balance.

8.3. It may be advisable to cluster the cases, both desk and field, into comparable groups. For example, the study may track a number of comparable cases in Pakistan, India, Central Asia, Botswana and the USA in which outside groups have tried to facilitate the improvement of the capacities and performance of a large cohort of NGOs. Looking at the improvement in capacities and performance of a number of multi-organizational systems as in the case of health SWAPs is yet another possibility. Capacity improvement in African policy research organizations is a third possibility. Such clustering may make it possible to use standardized data collection tools assessing the same capacities and performance areas.

A lack of data on capacity and performance

²⁷ See also G.W. Noblitt and R.D. Hare, 1988, *Meta-Ethnography: Synthesizing Qualitative Studies*, Sage

8.4. Based on the experience of the first two cases and our ongoing review of secondary sources, the study is likely to find an uneven pattern of data on capacities, change and performance. Field researchers may find it difficult, for example, to find historical data or performance information that will allow tracing the growth of capacities over time. Cases of particular interest may merit greater investment to generate the necessary data. We would, however, expect that many cases will contain stories and personal accounts of behavior change which may help readers to grasp the daily realities of improving capacity and performance.

Getting access to sensitive data

8.5. Issues to do with capacity, change and performance bring with them sensitivities about power, position, access to resources, leadership, blame and punishment. This constraint will become more pronounced when the focus of the research turns towards less technocratic types of capacities, (e.g. the capacity to manage internal conflict, to gain legitimacy, to defend against predatory political behavior). Routine surveys are often not the best method to obtain information on such subjects. Since perspectives on these less technocratic capacities will be important to the study, it will be necessary to choose cases where a level of trust already exists, for example, through a committed supporter at the field level. Focusing of the research on effective performance and disconnecting it from funding decisions will also help to encourage discussion on the issues.

Balancing ‘insider’ and ‘outsider’ perspectives

8.6. The field case work will have to balance the search for ‘objective’ knowledge obtained through neutral data gathering by outsiders versus the ‘subjective’ knowledge of ‘insiders’ who are in a position to provide deeper insights into the pressures and dynamics of change (see 7.5). Leaving aside the relevance of the objective versus subjective debate, the value of multiple observers, both inside and outside, should give added richness to the research.

Getting the unit of analysis straight

8.7. This research will face two key challenges with regard to the unit of analysis. First, the focus of the research is on the generic processes of capacity and performance improvement. It pursues this focus across a wide range of organizations and systems in both the public and non-profit sectors. It will not have the benefit of working on a tight, comparable group of similar organizations. Determined efforts will therefore have to be made to keep the focus of the research on capacity and performance improvement to prevent it from becoming a general study of management and institutional issues across a wide range of settings.

8.8. Second, the researchers will have to be clear about the unit of analysis at the individual case level. In practice, most cases are likely to be complex combinations of capacity and performance issues at different levels. Given the limited time and resources available for most of the field cases, a choice will have to be made at the outset of each case about the focus of the analysis. An emphasis, for example, on broader performance patterns across a range of stakeholders at a systems level will have dramatic implications in terms of time, budget, pre-travel preparations, field staff participation,

analytical approach, access to information and many others²⁸. These choices of the level and unit of analysis will, in turn, influence the selection of cases.

Dealing with the downsides of snapshot assessments

8.9. One-time case studies run the risk of missing trends and the longer-term evolution of capacity and performance improvement, a subject that is of particular importance to this study. In our case work to date, we have already noted three patterns: a slow but steady evolution, an initial lack of progress and then sudden improvement and finally, quick progress over the first ten years and then a gradual deterioration. Two kinds of responses will be made to deal with this issue: first to choose case studies that can provide access to longer-serving staff and stakeholders with a historical perspective and second, some longitudinal data gathering that can track changes in capacity and performance over time.²⁹

Dealing with attribution

8.10. The analysis coming out of both the secondary and primary research will bump against the attribution issue or the ‘what causes what and what leads to what’ analysis. Many variables affect the development of various aspects of capabilities and performance in a pattern of complex attribution. Most are synergistic and cannot easily be disentangled into results ‘chains’. There will also be limited opportunities to do a ‘before and after’ or a ‘with and without’ analysis at the field level. Part of the solution may lie in focusing on contribution rather than attribution.³⁰ Some group work in search of ‘root causes’ of capacity and performance may be useful. It should also be remembered that one of the comparative advantages of case studies is their potential to explain the causal links in real-life situations that are too complex for survey-based methods.

9. COLLABORATIVE WORKING RELATIONSHIPS

9.1. The ECDPM research team is in the process of forming collaborative working relationships with a range of international funding agencies and other research groups including the following with whom we are currently in some sort of discussion about joint activities.

- The International NGO Training and Research Center in Oxford, England³¹
- PACT (United States) in Washington, DC.
- The African Capacity Building Foundation (ACBF) in Harare, Zimbabwe³²

²⁸ The case of the Environment and Sustainable Development Unit of the OECS involved nine countries in the Caribbean and led to a decision to focus on capacities and performance within the ESDU Unit itself. The proposed IUCN Asia case would need to deal with about ten countries from Pakistan to China and will rely on written records and individual memories.

²⁹ Of the 7-10 cases so far designated as candidates for field work, all have long-serving staff and an active organizational memory.

³⁰ See John Mayne, 2001, “Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly” *Canadian Journal of Program Evaluation*, 16(1)

³¹ INTRAC is about to commence its own Praxis programme. The ECDPM study has been designed to supplement rather than duplicate the INTRAC work.

³² The ACBF effort is focused on the PACT (the Partnership for Capacity Building in Africa).

- The Development Policy Management Forum in Addis Ababa
- The World Bank Institute
- The International Service for National Agricultural Research (ISNAR), and the World Conservation Union (IUCN).³³

9.2. In addition, we hope to carry out collaborative field work with a variety of international funding agencies including CIDA, JICA, Sida, DANIDA, The World Bank, DGIS in The Netherlands, AUSAID and others. The ECDPM team also hopes to work with a research organization with a strong background in public sector reform.³⁴

9.3. ECDPM intends to do more than simply extract information from field case participants. The approach will be much more developmental than judgmental. The objective, therefore, will be to form formal or informal partnerships with the field organizations which cooperate with the case research. As mentioned earlier, the field work may be done collaboratively in many cases. All such organizations will get access to regular updates on the progress of the work and will be invited to the final workshop (see section 9 below). ECDPM will also look at the possibility of having individual national actors from one case involved in the study of another case in a different part of the world (e.g. an NGO analyst from India participating in a research team looking at NGO capacity improvement efforts in the USA or Central Asia).

10. PRODUCTS OF THE RESEARCH

10.1. The study will produce a variety of products including the following:

- A final overall report which will have two main parts. The first will be a presentation of the empirical findings coming out of the case work and the secondary research. This will focus on the what, how and why of the capacity and performance improvement processes at the field level. The second major part will set out the implications for practitioners and external intervenors. This section will likely include such topics such as capacity assessment techniques, change strategies and improvements to the monitoring and evaluation of capacity and performance issues.
- A selection of the case studies based on both desk and field research. Where appropriate, the study will encourage the publication of field case studies in the participating countries including their translation into national languages.³⁵
- An extensive annotated list of resource materials including books, articles, evaluation and websites.

³³ ECDPM is planning to hold a small workshop on the evaluation of capacity and performance issues in November 2003 in cooperation with both ISNAR and The World Conservation Union (IUCN).

³⁴ The Commonwealth Association of Public Administration and Management (CAPAM) and the International Institute of Administrative Sciences (IIAS) located in Brussels may be approached.

³⁵ One of the first cases, that of the Environment and Sustainable Development Unit of the Organization of the Eastern Caribbean States will be presented to the Ministers of the Environment of the Eastern Caribbean in late July.

- A compendium of analytical tools and frameworks that have either been located or formulated during the course of the work. Tools of particular interest would be a tool to help practitioners assess and map their current and future capacities and one another to advance current thinking on the monitoring and evaluation of capacity issues.³⁶
- One or more reinforced learning networks engaged in generating and disseminating information on capacity issues.
- One or more training modules depending on demand.

11. FINAL WORKSHOP

11.1. The intention of the ECDPM study team is to hold a workshop, probably in Maastricht, to review the final draft report. Attending would be representatives of the participating field organizations, external funding agencies and other interested observers. The objective would be fourfold:

- To discuss the issues raised in the draft report (e.g. strategies of organizational change, participatory methods of assessing capacities) and refine the general recommendations.
- To discuss the operational implications of the findings and emerging principles.
- To review the tools and frameworks and seek comments on their relevance and applicability.
- To hold specialized workshops on particular issues such as the design of external interventions

12. DISSEMINATION OF RESULTS

12.1. ECDPM has already set up a limited access extranet site to make interim results of the research available for comment and discussion, including:

- An inventory, to be updated from time to time, of the most useful analytical tools and frameworks;
- An on-going list of annotated list of resource materials;
- Draft case studies;
- Discussion papers highlighting particular issues (e.g. the role of legitimacy in improving capabilities and performance).

12.2. Dissemination of the results will be carried out in a variety of ways. Final products will be posted on the ECDPM website. A publication of capacity.org in the autumn of 2003 will include result from various case studies. In addition, ECDPM is considering working with the new Impact Alliance,

³⁶ Work has already begun in cooperation with the World Bank Institute in Washington, DC on the collection, analysis and development of tools and frameworks.

a global network on capacity building managed by PACT USA, to seek reactions and suggestions on the work to date. Partner organizations such as INTRAC or ACBF may also use their own channels to disseminate the work.

13. ADDRESSING THE NEEDS OF PARTICULAR AUDIENCES

13.1. Customized reports for particular groups may be produced depending on the availability of financing. The main audiences for the initial report are likely to be the DAC and its members and practitioners in the field and staff in international funding agencies. But different groups and audiences such as field participants may need customized analysis for their uses and styles of learning. This may imply the publication of summary reports and issue papers or the holding of workshops targeted on special needs or interests.

14. THE LOCATION OF THE ECDPM RESEARCH TEAM

14.1. Heather Baser, a Programme Director at ECDPM will supervise the overall work of the team from the Maastricht office of ECDPM. The Research Director (Peter Morgan) and the Senior Technical Adviser (Dr. Derick Brinkerhoff) will be based in Washington DC. Other participating researchers will be based in New Delhi (Niloy Banerjee) and Gabarone (Dr. Tony Land) and London (Nikolai Hutchison). An informal group of readers will be available to review the on-going analysis. All these members of the research team will have to maintain two perspectives on the on-going work: first, an overall 'bird's eye' view of the state of the study and its emerging issues and second, an individual responsibility, a 'worm's eye view' for following a particular issue such as the interrelationships between networks and capacities.

ANNEX 1 - KEY QUESTIONS LINKED TO THE ANALYTICAL FRAMEWORK

This section sets out some initial questions under each part of the analytical framework. These will no doubt change as research and learning proceed. Three qualifications are useful in assessing the value of these components and questions.

- First, we have not adopted one single organizational assessment framework that can or must be applied to the complete range of cases under review.³⁷ Many current approaches apply to single organizations and are not as useful in analyzing complex multi-organizational cases. What will be more useful is to customize an assessment framework for each case in advance of the start of field work using some of the questions set out in this Annex.
- Second, we need to retain the concept of these components as interrelated parts of a human system. As such, no one component can be analyzed as an isolated variable. A systems perspective needs to be maintained as the analysis proceeds.
- Finally, these questions are designed for the use of the research teams at the level of individual cases. The principal research questions listed earlier in this report in Section 3.5., will be used to help synthesize the material coming out of the cases.

EXTERNAL CONTEXT

How, under what circumstances and why does the external context influence the process of improving capacities and performance?

The case will analyze ways in which the external context influences the capacities and performance of the organization or system. In a variety of ways, the context creates patterns of incentives, constraints, resource flows and opportunities that influence individual and collective behavior.

The following questions will be addressed in this component;

Different contexts

- Was it useful in this case to distinguish between the immediate task context and a much broader national or regional context?

Contextual influence

- What were the main trends and influences - social, political, financial, technological, cultural - shaping capacity, change and performance (e.g. changes in the role of women leading to different roles within organizations, macro-economic policies)?
- Did organizations and systems seek a protected space in the environment and, if so, did such space contribute to the process of capacity development?

³⁷ Two possible approaches are “An Integrated Toolkit for Institutional Development” by Mark Renzi in *Public Administration and Development*, Vol. 16, 469-483, 1996 and Lusthaus, Adrien, Anderson and Carden, *Enhancing Organizational Performance*, IDRC, 2000.

- Were there patterns in the contextual forces that influenced capacities, change and performance?
- Were there contextual preconditions that should have been in place before capacity investments were attempted in this setting?

Institutional factors

- What were the main institutional factors or the ‘rules of the game’ at work in this case? ³⁸ How did they structure the pattern of roles, incentives and expectations of the various actors?
- Were the constraints to improved capacities and performance in this case mainly institutional or organizational? How do we know?
- How were the indigenous institutions and the formal organizational structures, systems and techniques in this case combined for improved capacity and performance? - for better information provision, service delivery, improved incentives?
- What were the influences of ‘traditional’ institutions on organizational capacity and performance?

Systemic characteristics

- What systemic characteristics of the context e.g. stability, uncertainty, flexibility, hostility seemed most important for capacity and performance improvement in this case?
- Was it consistently true in this case that unstable and dysfunctional environments made it harder to build and improve capacities and performance?

Contextual mapping and understanding

- How did the organization or system in this case understand new contextual demands?
- What can we learn from this case about the most effective ways of mapping and understanding a context?

Contextual management

- Did the organizations and systems in this case try to influence their external context and, if so, how?
- How did organizations and systems try to buffer themselves from hostile contextual forces as they tried to improve their capacities and performance? Under what circumstances was an ‘insulation’ strategy feasible?

³⁸ An ‘institution’ is defined here as stable, valued, recurring patterns of behavior such as land tenure or marriage or property rights. An ‘organization’ is taken to be a formal structure of roles and relationships designed to achieve some purpose.

STAKEHOLDERS

*How do the patterns of external stakeholder interactions both amongst themselves and with the organization or system affect the process of improving capacities and performance?*³⁹

The stakeholders of an organization or system and more specifically their interests, conflicts in expectations, modes of behavior, resources, interrelationships and intensity of involvement can shape the process of capacity and performance improvement.⁴⁰ Their behavior is key to shaping demand, performance, legitimacy, commitment and sustainability.

Some emerging questions are the following:

Stakeholder behavior and interrelationships

- In what ways did the stakeholders in this case - e.g., beneficiaries, suppliers, supporters - collaborate with the organization or system on capacity improvement? Did they co-learn? Did they form a network or a community of practice?
- Was the lack of stakeholder consensus a positive or negative factor in capacity and performance improvement in this case? Under what circumstances?
- Did the issue of capture by predatory stakeholders affect the process of capacity development? How?
- How did stakeholder perceptions affect the process of capacity development? Did the relative lack of power of some groups (e.g. beneficiaries) in many countries affect the process?
- Was it possible to trace out the particular kind of stakeholder configuration in this case and relate it to capacity and performance improvement (e.g. patronage networks versus lobbying groups)?
- What incentives and motivations applied to different kinds of stakeholders? What political trade-offs were they facing in this case?

Stakeholder mapping

- Did the organization or system here have an organized way of assessing stakeholder interests?
- How did the improvement of different types of capacities relate to the involvement of stakeholders and visa versa?
- How useful was it for stakeholder relationships and interactions to be mapped and categorized? How useful was the distinction between those outside the immediate task network and those inside?

³⁹ Stakeholders can be internal (e.g. staff) as well as external. The following section deals with this issue.

⁴⁰ A stakeholder is defined in this study as individuals or groups or organizations whose interests and behaviours can, do or should affect the process of capacity and performance improvement.

Stakeholder management

- Was managing external relationships and linkages a capacity in this case? If so, at what stage in the organizational evolution did it appear? Where in the pattern of organizational growth did it get emphasis?
- Were strategies for capacity and performance improvement designed and sequenced in the light of stakeholder interests? Or was this too rational an approach?
- How was this process of stakeholder management carried out at the system level? And by whom?
- Did managers give much attention to managing their stakeholders? Are there patterns? Did they for example, focus on gaining social legitimacy or political support or access to technology or financial resources?
- Under what circumstances would the organizations and system give up on improving capacity and performance and focus instead on cultivating their stakeholders? When would they be better off by replacing an attention to performance with one dedicated just to stakeholder management?
- How did processes of stakeholder interaction evolve as the organization or system itself evolves?

Ownership and demand

- How did the issues of ownership and demand for capacity and performance improvement relate to stakeholder issues? Under what circumstances could strong demand from external stakeholders energize or overwhelm organizational capacities?
- Was there something particular about the capacities and performance issues - as opposed to policy reform - that was important to keep in mind when analyzing the influence and role of stakeholders?

Legitimacy

- How did the issue of organizational legitimacy relate to the stakeholder issue?

Sustainability

- How did stakeholders promote or block the sustainability of various organizational actors in this case?

INTERNAL ORGANIZATIONAL FEATURES AND RESOURCES

What are the features and resources within the organization or system that most influence the process of improving capacities and performance?

Capacities and performance are developed, sustained, improved or downgraded partly by their interrelationship with various features of the organizational setting of which they are a part. We refer

here to the internal pattern of formal and informal roles, structures, resources, relationships, cultures, strategies and values at either the organizational or multi-organizational levels.⁴¹ Different structural configurations -centralized, team-based, fragmented, networked - can, for example, have dramatic implications for the nature and effectiveness of different kinds of capacities.

This diversity has implications for the methodology of this study. Many frameworks exist for the assessment of the functioning of individual organizations. But the multi-organizational system has received far less attention. Such systems may simply be structured for information exchange. Others may be designed for resource sharing. Still others may be established for joint action. Each may give rise to different options for capacity and performance improvement. The questions set out below are thus generic in nature and intended to cover a wide range of situations from small individual organizations to complex multi-organizational structures.

We will address the following points in this component:

History and Organizational Heritage

- When was the organization or system established and for what purpose?
- In whose interest was it established?
- What major changes have occurred over time? How did this organization or system get to where it is?

Vision, values and identity

- How important was a focused organizational vision for capacity development? Could capacity development go forward in a setting of contested objectives?
- What were the core ideas underlying the existence of this organization or system?
- How important in this case was organizational integrity to capacity development?⁴²
- How had the values, identity, rules and norms of the organization or system been constructed?
- What was the legal status of the organization or the system?
- What was the relationship between organizational mission and capacity and performance improvement?

Policies and Mandates

⁴¹ By way of comparison, the DOSA (discussion-oriented organizational self-assessment) organizational assessment tool looks at six areas - external relations, financial resource management, human resource management, organizational learning, strategic management and service delivery. The PACT version looks at governance, management practices, human resources, financial resources, service delivery, external relations and sustainability.

⁴² The technique of appreciative inquiry puts forward the view that the ultimate capacity in an organization or system is something called the positive core which depends critically on the presence of organizational integrity.

- How did the nature of the policy or mandate affect the process of capacity development in this case?

Governance

- How did governance arrangements relate to capacities and performance?

Nature of the tasks

- How did the nature of the tasks facing this organization or system affect the process of capacity and performance improvement?

Source and type of resources

- How did the source, type and conditions of organizational financing affect the process of capacity and performance improvement?
- Which parts of the organization or system subsidized others in this case?
- Could a poorly-resourced organization or system handle the overhead costs of complex capacities? Were there effective forms of 'low-cost' capacities?
- What was the connection between the availability of material resources - physical plant, geographic location, tangible assets, staff, technologies - and the effectiveness of capacity improvement? Under what circumstances was it positive and negative?

Support for innovation and change

- How did organizational configuration and behavior - structure, internal systems, degree of complexity, culture, informal structures and behaviors, distribution of power - affect the process of change and innovation?
- How important was internal organizational identity, ambition and confidence in helping to build capacities?

Strategic positioning

- What was the effect on capacities and performance of internal features such as strategic direction and positioning?
- Did capacities drive the strategic positioning or was it the other way around?

Autonomy and legitimacy

- What was the importance of organizational autonomy in capacity and performance improvement in this case?

- What was the importance of organizational legitimacy for capacity and performance improvement?

Leadership

- What type of leadership did this organization or system have and what was the relationship to capacity development and performance improvement?
- What type of leadership at what level? What about followership?
- Did the initiators and supporters of capacity development in this case usually come from senior management, middle management, operating groups, outside groups, on the political level?

Organizational structure

- How did different kinds of organizational structures relate to different kinds of capacities, e.g. an internally fragmented organization may find it difficult to generate the collective action and learning to develop effective capacities?
- Did capacities needs in this case set the structure or was it the other way around?
- How did the presence of specialized skills affect the process of capacity development? Did it make it harder or easier? Did it depend on the type of capacity? Was the balance of generalists and specialists important?
- What was the difference in approach between capacities that had a structural home, e.g. financial management, versus those that were completely cross-functional, e.g. innovation or organizational learning?

Informal organizational behavior and systems

- How did the formal and the informal aspects of the organization or system interact and affect the process of capacity and performance improvement?
- How did the communication system work?

Incentives

- What incentives affected progress on capacity and performance improvement? How determinant was the pattern of incentives? What were the institutional factors at work?
- What were the different types of incentives in this case? For whom? And with respect to what?

Alignment

- How important was the alignment of these internal features for capacity and performance improvement?

Organizational evolution

- How did these features differ in effect amongst organizations of different ages, size and purpose?

CAPACITIES

What makes for an effective capability and why and under what circumstances?

2.1. We can start out by thinking about capacities in four ways:

- *Institutional* capacity: the ability of institutions, both formal and informal, to structure the incentives and expectations of the participants and stakeholders in ways that support their performance.
- *Organisational* capacity: The aggregated ability of an organization or system to perform. This type of *overall capacity* is thought to come about by improving the contribution of the various organizational components such as the structure, systems, financial resources, the personnel, the vision, the culture and so forth. The emphasis is on the overall capacity of the organization or system to perform effectively.
- *Disaggregated* capacity: A skill or competence of some sort -usually technical or administrative and usually described as 'core' - that is housed within an organization or system. It usually refers to the ability of a person, group or organization to carry out a task or function. From this perspective, a human organizational system at whatever level can be usefully thought about as a combination or interconnected web of capacities.
- *Empowerment or liberation*: This stems from personal engagement, identity and availability of choice, qualities that enable people to participate fully as citizens in society.⁴³ This concept of capacity has to do with learning, participation and access to opportunity.⁴⁴

One of the main objectives of this study will be to go deeper into these types of capacities and analyze their emergence and effect under a variety of field conditions and how they fit together. The questions set out at the case level below give some direction to this task.

Institutions

- How can issues to do with both formal and informal institutions (e.g. laws, regulations, legitimized norms and behaviors) be viewed as capacities? How did institutional capacities, for example, help to shape organizational capacities in this case?

Nature of the product or service

⁴³ This perspective can be seen in the writings of Amartya Sen and also in some official aid documents such as Sida's *Policy for Capacity Development*.

⁴⁴ "Capacity-building is concerned with enabling people to tackle the injustices that derive from discrimination, so that they can realize their full potential, in a society that respects rights and values diversity" in Deborah Eade, 1997, *Capacity-Building: An Approach to People-Centered Development*, p. 50

- How did the nature of the product or service or value to be delivered affect the nature of the capacity?
- Did the participants develop complex capacities to deliver complex services or did they lower the complexity of the services being demanded?
- Did they have a core programme to determine their core capacities?

Financing

- How did the volume, nature, source and flow of financial resources shape the improvement of capacities? Assuming that capacities are investments for the future, what were the range of patterns in terms of the financing of capacities?
- How did the participants know how much to invest in a particular capacity? Was there a danger of over- or under-investing?

Capacity heritage

- How determinant was the initial pattern of capacities in an organization or system, especially those embedded in the organization or system from the beginning? Was there a huge difference between improving embedded capacities and adding new ones?

Multi-organizational

- How did capacities at a multi-organizational level (e.g. sectoral, regional, national) differ from those at the organizational?
- Were the participants dealing here with ‘macro’ capacities or ‘micro’?
- Did the conventional idea about capacities at different hierarchical levels add value to the understanding of this case?

Strategic choice and design

- What capacities were deemed to be ‘core’ in what circumstances? By whom? Why? When? And to what effect? Was there some sort of analytical, managed process or did core capacities just emerge?
- Which capacities got attention and why and which did not? Were they the same ones that lay at the center of performance?
- Did the ‘choice’ of core capacities appear to be influenced more by internal preference or contextual or stakeholder pressure?

- Did the organizations or systems in this case think strategically about their capacities or did they mainly muddle through in an effort to do better? Was the strategic management of capacity development a useful or a feasible approach?
- Did they match the right capacities to the right strategy?
- Was there a bias on the part of staff or international funding agencies in this case towards certain kinds of capacities? Why?

Types

- What were the different types of capacities - core versus non-core, enabling versus productive, organizational versus technical, hard versus soft, broad versus narrow - in this case? How did the type of capacity affect the process of improvement?
- What capabilities were 'core' in what circumstances?
- Most participants and almost all external intervenors focus on formal technical and organizational capacities. How important were the more informal ones (e.g. the capacity to inspire staff loyalty) in this case?
- Did the organizations and systems in this case build any symbolic capacities designed mainly to mollify expectant stakeholders?
- Were there capacities in this case based on assets as opposed to those based on skills?

Composition

- What made up a capacity in this case?⁴⁵ Did it vary according to the nature of the capacity, e.g. organizational learning versus budget planning versus conflict management, or the nature of the organization or system?
- Were all major capacities cross-functional, e.g. a small part of many jobs?
- How important was interpersonal trust in the composition of an effective capacity?
- Were organizational recipes and routines part of capacities?
- What support - organizational, financial - did they need to be effective?

Interrelationships

- What were some pattern of interrelationships amongst different kinds of capacities? To what degree did core capacities survive and become sustainable on their own or did they need to be part

⁴⁵ For example, the World Bank case on municipal government in Colombia reviewed for this study put forward the view that capacities are composed of staff skills, equipment, materials, buildings, processes and technology.

of a web or combination of capacities? For example, can knowledge management or organizational learning be addressed on its own or must it be discussed in the context of other capacities such as conflict management or staff motivation?

- How were capacities coordinated and aligned for greater effect in this case? How important was the capacity to combine and integrate capacities?

The needs of different types of organizations

- Was it possible for different types of organizations and systems at different stages of their development to have very different approaches to capacity development? For example, can a small, resource-poor NGO in Africa afford to think about and implement the development of specific capacities?⁴⁶ Does it make any sense for private sector firms competing in dynamic, volatile markets to build complex capacities?⁴⁷

Assessment frameworks and visuals

- Did the participants use any frameworks and tools to analyze capacities? If they did, did they use them consistently? How did people, groups, organizations or systems know what capacities they actually had?

Assessing, learning, monitoring and evaluation

- Based on this case, what practices are emerging that improve conventional approaches to the monitoring or assessing or evaluating capacities?⁴⁸
- Was it useful to sketch out a baseline in this case from which to assess the enhancement of capabilities and performance over time?

Relationship to performance

- Did performance requirements actually play much of a role in shaping capacity requirements?
- Can we say that a capacity exists in the absence of any evidence of performance? Is performance some sort of proxy measure for capacity? Under what circumstances is it possible to claim the first without evidence of the second? Without performance, is capacity simply a latent potential which cannot be assessed?

Sustainability

- What made the capacities sustainable?
- Was it possible to develop 'resilient' capacities that can withstand shocks and dislocations?

⁴⁶ See Rick James, 2002, *People and Change: Exploring Capacity-Building in NGOs*, INTRAC

⁴⁷ See Shona Brown and Kathleen Eisenhardt, 1998, *Competing on the Edge: Strategy as Structured Chaos*, Harvard Business School Press

⁴⁸ See *Measuring Institutional Capacity*, Recent Practices in Monitoring and Evaluation, USAID, #15, 2000

ENDOGENOUS ORGANIZATIONAL CHANGE AND ADAPTATION

What endogenous strategies for organizational change and adaptation were used to improve capacities and performance? And by whom? And why?

Capacity development and performance improvement are exercises in organizational and institutional change. We therefore intend to focus part of the analysis on understanding the strategies and the processes of change that takes place within organizations and systems. We are particularly interested in a range of factors shaping change including those to do with political economy, institutional incentives organizational processes and human motivation. We will also concentrate in this study on analyzing change from an endogenous perspective or from the viewpoint of national actors in various settings as they identify, build, improve, sustain and at times, undermine and destroy their collective abilities to perform.⁴⁹

The following questions may be addressed in this component.

Existing processes

- What was the nature of the process of endogenous change that was on-going before any additional interventions to improve capacity and performance?⁵⁰
- Was capacity development essentially about bringing out strengths that already existed in a latent form? Did a preoccupation with capacity ‘gaps’ negate this approach?

Institutional perspective

- What critical actions had to be taken and who had to take them?
- What were the incentives and rules of the game that determined whether the resources required taking the critical actions would be available to the players with responsibility for action?
- Were those resources used by the players to solve the problems targeted by the policy? How were the critical players expected to play the game?

The public sector

Could public sector managers really do much about selecting, developing and deploying their capacities? Could they exercise that kind of controlled strategic capacity development in the context in which they worked?

The NGO sector

⁴⁹ By the term ‘national actors’ we refer to practitioners building their own capabilities and performance at the field level.

⁵⁰ A tool for doing this kind of historical scan has been developed by the Institute for Cultural Affairs of Canada (The ToP Historical Scan).

- Were small NGOs more concerned with getting access to resources and protecting their autonomy than with building capacities?

The role of learning

- What role did individual and organizational learning play in developing capacities?
- How did learning processes differ at the organizational and at the multi-organizational level?

Supply versus demand

- Were the changes demand or supply driven or both? Did excessive supply or demand affect capacity development in this case?

Making versus buying

- Under what circumstances was it better to focus on borrowing or absorbing capacities from partners or other groups versus developing them internally? Was that the choice?

Pressure and change

- Was the existence of pressure and crisis important in the development of capacities in this case?
- Was a crisis needed to accelerate change?
- Did the crisis involve contested objectives?

Strategy for change

- How did the organization or system choose its strategy for capacity development? Was it feasible to make a rational 'choice'? If it was, what criteria were used?
- Was the point of leverage for change mainly institutional or organizational? Was the change strategy trying to change the rules or was the intervention changed to fit the rules?
- What were the key capacities or combination of capacities that supported and sustained the capacity development process?
- What approaches to process management and organization development were used in support of capacity development? - individual and group dynamics, leadership, collective learning, conflict management, participation, consensus building?
- Was the process of change consciously managed? Tactics to overcome obstacles - social marketing, demonstrations, training, additional resources, gaining political support, changes in legislation, persistence, persuasion,

- What were the main obstacles to improving capacities and performance - turf fight, lack of resources, laws and regulations, logistics, lack of political support, coordination issues, political opposition etc.
- Was there a coherent strategy to build capacities or was it just people trying to do their work better?
- Was there any kind of participant consensus about a capacity development plan?
- Was there anything unique in this case about a change strategy to improve capacities?
- Were capacities built 'top-down' or 'bottom-up' or 'middle-up-down'? Who were the initiators and supporters of capacity development - middle managers, outside groups, political level?
- How important was training to capacity development?

Incentives

- What can be said about the pattern of the incentives, motivations and attitudes of the participants that are needed for capacity development?

Barriers to collective action

- Why is it that organizations and systems frequently have great difficulties developing capacities that all staff say they want? Does this case say anything about that issue?

Risks

- What were the risks involved in developing capacities in this case? To whom? How were they mitigated?

Legitimacy and operating space

- Did the efforts of staff at all levels to improve capacity and performance have any legitimacy outside the organization?
- How important was the issue of a secure operating space to improve capacity and performance? Did organizations with a secure operating space (e.g. a central bank) always have a greater chance of improved capacities and performance?
- How was a secure operating space created, sustained and used for the purpose of improving capacity and performance?

Capacity erosion and destruction

- Did any capacities erode over time in this case?

- How did organizations and systems get rid of capacities that were no longer relevant?
- Under what circumstances did organizations and systems go about destroying the very capacities that they needed to perform well? How common was the practice of capacity destruction?

Sequencing of capacity development

- Was there a rough sequence in which capacities need to develop?
- Was there an implicit ‘hierarchy’ of capacities that has to be put in place?
- Can such a rational process of sequencing and building hierarchies ever be followed in the real world?
- What time frames were needed to develop different types of capacities?

Learning

- Was learning at the heart of capacity development? Did different kinds of capacities require different kinds of learning?
- What turned knowledge and learning into a competence?

Evolution over time

- How did capacities grow and emerge and decline over time through various stages of organizational growth?
- Do we have a dynamic model or framework to track this evolution?
- Does this case give a sense of what kind of capacity ‘configuration’ is needed at different stages of evolution?
- What were the different types of capacities - core versus non-core, enabling versus productive, organizational versus technical, hard versus soft, broad versus narrow - in the various cases? How did the type of capacity affect the process of improvement?
- Were there certain kinds of ‘meta’ capacities that all organizations and systems need, e.g. the ability to change and adapt, the ability to learn?⁵¹
- Were there any examples in this case of ‘low-cost’ capacities suitable for smaller organizations and systems?

⁵¹ One organization found in the literature search saw itself having meta-competencies, meso- or core competencies and micro- or constituent skills.

- What were some patterns of interrelationships amongst different kinds of capacities? To what degree did core capacities survive and become sustainable on their own or did they need to be part of a web or combination of capacities? For example, can knowledge management or organizational learning be addressed on its own or must it be discussed in the context of other capacities such as conflict management or staff motivation?

EXTERNAL INTERVENTION

What external interventions work best to help improve capacities and performance and under what circumstances and why?

Most analyses of capacity issues are carried out from the perspective of the external intervenor or the international funder. This is understandable given the perennial difficulties with technical assistance and program/project design. International funding agencies are also accountable for examining the results of their own interventions. A part of this study will address those issues. But as mentioned earlier, this study does not intend to retrace the huge amount of research and experience that already exists on this subject.⁵² This is not a study about development cooperation relationships or donor behavior. It focuses much more on endogenous institutional and organizational change and then analyzes the implications of these findings for the crafting of external interventions. The study will also look at the effects on capacity and performance improvement of all different types of external interventions including but not limited to those of international funding agencies.⁵³

We will address the following issues and questions in this component:

Effects of external interventions

- Did the external interventions in this case make capacity development more or less difficult?
- What allowed organizations and systems to absorb external assistance effectively?

Strategies of external intervenors

- The external intervenors in this case structured and equipped to assist national actors to build capacity and performance?
- What was the role of the external intervention in this case?
- What externally-designed tools and frameworks seemed to work best with respect to helping to improve capacity and performance?
- To what degree did the external interventions have an explicit strategy on sustainability?

⁵² The UNDP is in the process of finishing a three volume series on capacity development and technical assistance.

⁵³ External interventions refer to any purposeful activity by outside individuals, groups or organizations designed to alter the behavior and performance of others. This includes but is not limited to those of international funding agencies. It is also important to remember that many groups and organizations that receive external assistance also provide it to others as in the case of NGO support organizations.

- How was the design of the external interventions changed by the context and process of change in which it intervened?
- How did the internal incentives of the external intervenors affect the process?

Bureaucratic instruments

- How did the conventional bureaucratic instruments used by international funding agencies, e.g. logical frameworks, project formats, results chains, work breakdown structures and so forth, affect the process of capacity development?
- What were the major interrelationships between endogenous change and external interventions?
- How did the issues of national actor commitment and the accountability of external intervenors intersect with respect to capacity and performance?
- How did external interventions change the endogenous pattern of incentives for the improvement of capacity and performance?

PERFORMANCE

How do capacities shape performance and under what circumstances?

This study takes a more limited view of the term ‘performance’.⁵⁴ It focuses on organizational or systems performance in terms of execution, implementation, accomplishment, functioning and the delivery of value. It examines performance issues mainly from the perspective of assessing the effectiveness of the process of capacity development.⁵⁵ This study does not focus on developmental impact.

The following issues and questions will be addressed:

Unit of analysis

- At what level should performance be assessed in this case? - multi-organisational system, organization, staff, individual clients and community? Performance of what and of whom for whom?
- Were the indicators of performance at various levels aggregated in this case? Was an overall judgment of performance possible?

Causal connections

- How did the capacities/performance interrelationship work in highly politicized environments?

⁵⁴ By way of comparison, the Performance Assessment Resource Centre sees performance assessment as encompassing all monitoring, evaluation and impact assessment which contributes to an aggregated concept of performance.

⁵⁵ The OECD/DAC definition of effectiveness is “the extent to which a development intervention has attained, or is expected to attain, its relevant objects efficiently and in a sustainable way”

- To what degree did improved capacities contribute to overall performance? What aspects of performance were most affected by improved capacities?
- Did the causal relationship run the other way, i.e. did improved performance lead to more effective capacities?
- Were other factors - sector structure, governance, organizational and institutional structures, stakeholder demands, contextual factors - more or less important in generating performance?
- Was organizational legitimacy a cause or an effect of good performance or both?
- Was it possible to assess diverse types of performance within the overall level of results?

Performance assessment

- What were the best examples of systematic, efficient ways to assess performance?
- Did the concept of contribution of various capacities rather than attribution make it easier to assess the role of different stakeholders?
- What was the role of conventional concepts such as efficiency and effectiveness in assessing performance?
- Were divergent views of performance apparent? Did stakeholders, both external and internal, have conflicting views as to what constitutes performance? And for whom?
- Did the participants in this case have ways to differentiate demanding and easy performance targets?
- Did good performance actually contribute to the achievement of the overall goals of the organization or system? Was the achieved level of performance still relevant?
- How did effectiveness and efficiency relate to each other in assessing overall performance?

Legitimacy

- In this case, did legitimacy come more from performance or from the management and manipulation of symbols?

Sustainability

- Did the connections between capacities and performance lead to some sort of sustainability?
- What was it that was supposed to be sustainable?
- Was the organization or system financially sustainable?

Time scale

- Over what period of time did performance emerge and how was that time scale issue assessed?

Strategies for performance

- How did organizations and systems think about performance issues? Did organizations or systems usually have any kind of implicit or explicit strategy for converting capacities into performance?

Performance management

- What incentives, if any, did organizations or systems have to perform? Who benefited from good performance?
- What enabled organizations and systems to shift from poor to good performance?
- What other internal features such as resources, strategic direction, motivation had to be combined with capacities in order to generate performance?
- To what degree was there a consensus inside or outside organizations or systems about the required and achieved level of performance?