

## RESEARCH ARTICLE

## Organizational Capacity Assessment of Community-based Organizations – A Theoretical Orientation

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### ABSTRACT

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*Community-based organizations need to be vibrant and rejuvenate themselves regularly according to the needs of donors. Revisiting the mandates and services to meet the emerging demands need regular assessment of capacity of these organizations. It needs a tool like Organizational Capacity Assessment (OCA) to have self-assessment among their stakeholders. This tool is utilized to design the capacity development plan and improvement of already existing plan. This tool has been utilized by more than 150 facilitators for almost two decades in and around more than 30 countries. This paper tries to briefly orient theoretically, the nature, principles, functions, process and approaches of OCA, so that the agricultural extension fraternity may not only get some insight into this concept but also may apply towards functioning of community-based organizations such as Farmer Producer Organizations (FPOs).*

**Key words :** Organizational Capacity Assessment; CBOs; FPOs.

Service organizations such as non-governmental organizations (NGOs), Community-based organizations (CBOs), farmer producer organizations (FPOs) etc., are established to cater to the various needs of their members such as producers, rural artisans, landless labours, women, youth, etc., through welfare and development schemes. Such organizations need to be vibrant and rejuvenate themselves regularly according to the external needs. Revisiting the mandates and services to meet the emerging demands need regular assessment of capacity of these organizations, so that they can reorient, mobilize, plan and organize all resources towards rejuvenated mandates and activities. Such measures require a tool like Organizational Capacity Assessment (OCA) to have self-assessment among their stakeholders in order to understand the existing capacity and plan for the future.

It is obvious for donors of service organizations to look at NGOs/ CBOs as vehicles for project implementation. In such cases, the donor is interested in whether the organization can carry out the project under discussion, and it will try and ascertain the capacity of the organizations in relation to that project. The organizations

are also intended in their own development and in their own progress towards aspirational competence and sustainability. Both donors and organizations, therefore have an interest in the fact of developing and understanding of the parameters of complete and healthy organizations. Hence, there is a great value in OCA, which will help them to understand the elements of an organization with well-sounded capacity, and which will help them to assess their organization.

Thus, OCA is a self-assessment tool for organizations to identify gaps and required capacity building to measure progress against initial or target benchmarks. OCA is a structured tool developed towards self-assessment of an organization's capacity. Such assessment will be followed by designing action plan for further improvement of the capacity. By the way, the organization examines its process and functions against a benchmark and sets up priorities for strengthening its capacity (Anonymous, 2016). It has been a tool utilized to design the capacity development plan and improvement of already existing capacity development plan. Such assessment is done against a set of identified criteria (Anonymous, 2012a).

Pact Inc. used the OCA tool developed in Ethiopia as its starting point. Pact has further developed versions of this tool (generically called OCAT) in Botswana, Madagascar, Angola and Zambia and is continuously applying and modifying this tool in other countries of the world (Anonymous, 2022a). South Africa, Ethiopia, Thailand, Lesotho, Vietnam, Ukraine, Kenya, Tanzania, Myanmar, South Sudan, Nigeria, Malawi, Namibia, Botswana, Swaziland, Nigeria, Madagascar, Afghanistan, Cyprus, USA, Ecuador, Bolivia, Rwanda, Sierra Leone, Laos, Cambodia, Mongolia, Sudan and Zambia are the countries, in which the OCA has been used. It is reported that the tool has been used by more than 150 facilitators for almost two decades (Anonymous, 2012b).

The potential participants in OCA may be leaders, managers, officers, volunteers; financial, HR, administrative and other staff members. Similarly, all type of civil society organizations, commodity-based organizations, government institutions, business place committees and women's groups can engage this tool (Anonymous, 2012b). At this backdrop, this paper tries to briefly document the objectives of OCA tool, its nature, principles, utility, the process and different approaches of OCA tools etc., as a theoretical orientation so that the fraternity may get some insight into this tool and apply towards functioning of community-based organizations such as FPOs.

*Organizational capacity assessment (OCA) tool - A theoretical orientation Objective:* The objective of OCA is to facilitate the organizations in assessing the critical elements that affect the effective organizational management and identifying those areas that needs strengthening for future development. This tool was initially designed for future development and to enable organizations in order to design their capacity building improvement plan, based on self-assessed needs (Anonymous, 2014). This tool focuses on systems and structures, policies and practices and staff skill development. Recent advances of the OCA also integrate technical assessment components into the OCA to present a holistic picture of the organization and to lead the organization by its mission and community impact rather than system and procedures (Anonymous, 2012b). *Nature of OCA:* The OCA tool is participatory by nature. The members from all levels of organization may share, analyze and make judgments about the performance of their organization. This tool also helps the organization to identify their strengths and weaknesses on their own and to identify unique organizational capacity areas,

clarifying the vision, plan for success and ultimately take greater ownership over their future (Anonymous, 2012b). This tool gives snapshots of institutional and technical capacity at different points of time, allowing the administrators to identify common challenges and assist them with system-wide improvements across multiple partners, as well as evaluate progress and meet individual partner-specific needs. The tool is easily adaptable (Anonymous, 2022b). However, the organizational capacity is complex and context specific. Hence, strengthening of organizational capacity needs long term strategy and takes time (Mundia, 2009).

Organizational capacity is a function of many different factors such as individual capabilities, ways of organizing, cultural norms and physical assets all combine to enable an organization to work towards its mission/objectives. It refers to the ability to effectively manage programmes to achieve the stated goals and objectives with minimal external assistance. Organizational capacity is considered as the sum of organizational capabilities to perform functions that will deliver expected level of performance, suggesting that organizations must be enabled to solve problems, set objectives, learn and adapt operations to attain set goals (Rankonyana, 2015).

The OCA can be implemented either as the classic, customized self-assessment or facilitator-scored and then negotiated with the partner organizations. The OCA can be performed-over an extended period of time or rapidly. This OCA can be tailored to an individual NGO, CBOs, governmental institution or business entity, or designed together with a cohort of organizations (Anonymous, 2012b). A multi-country organization or a multi-member association could use the OCA to assess and compare capacity and needs across the organizations. Individual staff members or teams could use the OCA tool to assess their own unit or the broader organization. This could help plan unit improvements, or could support advocacy to senior management for necessary change or investment across the organization (Daniels, 2016).

*Key principles of OCA:* The key principles are (i.) participation and user ownership are the key to OCA success; (ii.) customization ensures capacity areas measured, which are those most relevant to the environment and experience of each organization; (iii.) communication between group members, the organization, and facilitators, as well as sharing of results across organizations helps to reveal relevant issues and build consensus; (iv.) continuous learning that stems from revisiting assessment results provides a significant

catalyst for change and adaptation (*Anonymous, 2012b*). *Functions of OCA* : OCA tool helps organizations to assess their own capacity with the assistance of outside facilitator. It is intended to capture what systems; the organization has in place to support the continuous provision of high-quality services for long-acting methods. It is a cross-sectional review of organizational performance at one point in time. It provides a snapshot of the strengths of an organization and of the opportunities for improvement. This tool is intended to guide through the process of self-evaluation (*Anonymous, 2012c*). Capacity building on farmer's organizations is a cornerstone of rural development policies and programmes (*Anonymous, 2019*). The key functions of OCA include providing a framework at which an individual of an organization value the organization's trajectory. By such exercise, the concerns are identified and priorities are set towards futuristic planning (*Anonymous, 2017a*).

*Organizational capacity assessment process*: OCA process encompasses a set of methods and tools that are designed to measure the capacity of an organization as a specific unit of the organization. The focus of the process is on the internal components of an organization although service delivery and external relations might also be dealt with. Such assessment should be followed by the creation of a strategy and a detailed work plan outlining the capacity strengthening activities and be used to monitor the organizations capacity development over time. The process must facilitate organizational learning by bringing members from diverse areas of the organization together for a facilitated discussion on key organizational capacities. It must guide the process of paying attention to strategically important capacity areas that it might left ignored in the past (*Mundia, 2009*). The OCA process can be divided into six basic steps such as (i.) defining the need and objectives; (ii.) planning the OCA process; (iii.) defining the capacity areas of the organization; (iv.) defining indicators of each capacity area; (v.) preparing the assessment tools and methods and (vi.) defining the organization's stages of growth (*Mundia, 2009*). OCA process requires open minds and non-judgmental attitude. It is conducted with a long-term organizational development perspective. The process should result in capacity strengthening. It does not analyze specific technical or programmatic capacities (*Anonymous, 2011*).

The OCA tool assesses technical capacity in

seven domains and each domain has a number of sub-areas. The domains are governance, administration, human resources, financial management, organizational management, progressive management and project performance management (*Anonymous, 2019*). The OCA tool measures organization capacity in four clusters: (*Anonymous, 2022d*)

*Leadership*: The capacity of leaders to inspire, prioritize, make decisions, provide direction and monitor.

*Adaptive*: The capacity to monitor, assess and respond to internal and external changes

*Management*: The capacity to ensure the effective and efficient use of resources.

*Operational*: The capacity to implement key organizational and programmatic functions.

In the process of OCA, the organization's participants (management, staff and sometimes board members) discuss institutional abilities, systems, procedures and policies in various capacity areas. Then, they reach agreement on a set of scores based on statement that reflect different capacity levels. The scoring is guided by the participants' understanding of how their organizational process works (*Anonymous, 2022c*).

*Approaches of OCA*: Most of the OCA tools use the participatory approaches in collecting capacity-related data in order to get the clearest possible picture of the organization as a whole or the specific unit in question. There are also other methods for collecting data for assessment such as surveys, interviews, focus group discussions and direct observation. However, a combination of methods is usually the best way to obtain robust data that provides diverse perspectives for full analysis of performance issues. Ranking is used in all OCA processes to place an organization at a certain specific stage of growth. These successes help visualize the stage of the organization and identify areas, where change efforts are most likely to succeed. The organizational assessment tools can play an essential role within a large organizational capacity building process. Finding a tool to use can be challenging due to large number of tools in the market as well as the numerous variations between the tools. Whatever may be the tool, the tool should prompt and support Organizational reflection, decision making and improvements (*Anonymous, 2017b*).

Some of the OCA tools to consider when working with non-profit organizations are Organizational

Capacity Assessment (OCA) of USAID; Organizational Performance Index (OPI) of PACT; Civil Society Accountability of Common Wealth Foundation and One World Trust; Institutional self-assessment of the Nature Conservancy; NZ navigator of the Wheel House.

Some of the other Organizational Capacity Assessment tools are as follows: (Anonymous, 2022e)

*FORCE as OCA Tool:* Farmers Organizations Reviewing Capacities and Entrepreneurship (FORCE) takes up the challenge to translate the recognition of farmer's agency into operational practices. FORCE is an effective tool to map how farmers perceive their organization and business relations. FORCE functions like a mirror for farmer's organizations and those self-assessment results are good starting point for discussing the way forward (Schrader, 2010).

*Looking beyond the "Capacity Gaps":* This toolkit offers a checklist tool aimed at helping to ensure that an assessment of capacity of one or more organizations is addressing the critical key issues important for possible subsequent capacity development efforts. Here, even assessment areas are taken into account such as organizational outputs; inputs; leadership; motivation and incentives; balance between functional and political dimensions of the organization; fit between the formal and informal organizations and networking capacity.

*Five core capabilities:* This approach intends to operationalize capacity development not only in relation to the capacity indicators and possible logical path for capacity development assessment, but also in the process as such, which may lead to the creation of capacities and behavioral change.

*The UNDP model:* The assessment is analysis of desired capacities against existing capacities; this generates an understanding of capacity assets and needs, which informs the formulation of a capacity development response.

*Capacity development results framework:* It has been developed by the World Bank Institute. In this framework, three factors such as the socio-political environment, the efficiency of policy instruments and the effectiveness of organizational arrangements are regarded as capacity development determining factors.

*Capacity assessment at the sectoral level:* Developed by Asian Development Bank, has a set of tools designed to serve decision making and overall operational planning at the strategic level, helping to find answers to the questions such as what explains the present capacity

situations in sector organizations? Is there a local demand for capacity development and the change that is bigger than the resistance to change? Is there local capacity to manage a capacity development process? How can local stakeholders design an output-focused capacity development process? How can external development-partners support capacity development?

*The holistic organizational capacity assessment instrument (HOCAI):* It is a different concept based on the integral human development concept and framework. It focuses on structures and systems of the NGOs working to support communities. The target capacity areas for holistic organizational capacity assessment are identity and governance, strategy and planning, general management, external relations and partnerships, sustainability, organizational learning, human resource management, financial and physical resource management, programming, services and results.

*Strengths and challenges of OCA:* Strengths of OCA includes stronger action planning and capacity strengthening, strategies for survival in uncertain times, improved service delivery and financial management, improved partner relations, better stewardship, accountability to donors and constituents, reduced risk, increased opportunity for growth (Anonymous, 2011). Potential reluctance to initiate time-consuming and effort-intensive assessment, lack of staff skilled in agricultural development and balancing short-term demands and long-term demands with long term benefits are the major challenges of OCA (Anonymous, 2011).

## CONCLUSION

Organizational capacity assessment (OCA) is a tool by which NGOs, CBOs or those working with NGOs can identify what they consider to be the model of what an organization should be and how this organization measures up against such model. OCA enables an organization to identify its strength and weakness against a model and in planning for the technical, managerial or organizational development interventions, which are required to improve the organizational capacity (Anonymous, 2022a). The following are the points to be understood by the researchers, faculty and students, while designing and adopting OCA tools in field situations:

- Organizational capacity is complex and context-specific. Strengthening of organizational capacity needs long-term strategy, which can be attained through OCA.
- OCA is a tool utilized to design the capacity

development plan and improvement of the already existing plan.

- It is a self-assessment tool to be utilized by the organization and its members.
- This tool has been utilized by more than 150 facilitators for almost two decades in and around more than 30 countries.
- Leaders, managers, officers of community-based organizations, financial, human resource, administrative and other staff members of such organizations can be the potential participants in OCA.
- All type of civil society organizations, CBOs, government institutions, business place committees and women groups can engage this tool.
- The key function of OCA is to provide a framework at which an individual of an organization value the organization's trajectory.
- The OCA tools assesses technical capacity in seven domains such as governance, administration, human resource, financial management, aspirational management, programme management, project performance management.
- The OCA is participatory in nature.
- The OCA tool is easily adaptable.

Finally, the OCA tools give snapshots of institutional and technical capacity, allowing the administrators to identify challenges, evaluate progress and meet individual needs.

## CONFLICTS OF INTEREST

The authors have no conflicts of interest.

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