ENHANCING ORGANIZATIONAL CAPACITY: A HOLISTIC EXAMINATION OF EVOLUTION, METHODS, AND CHALLENGES

This is a Review Paper

Abstract: This comprehensive review explores the evolution, importance, methods, challenges, and recommendations for capacity building across various sectors, with a focus on rural development and agricultural stakeholders. Beginning with a historical overview from the 1960s to the present, the study highlights shifts in focus and methodologies, emphasizing the critical role of capacity building in promoting effectiveness and efficiency. It examines the significance of capacity building for farmers and rural extension staff, emphasizing the need to equip them with skills and resources to enhance productivity and livelihoods. The review also discusses management skills, levels of capacity building, conceptual frameworks, approaches, core issues, and methods in capacity development. Also, it addresses the difficulties inherent in capacity building efforts and presents recommendations for building conceptual frameworks. Summarily, this study underscores the multifaceted and dynamic nature of capacity building and its pivotal role in promoting resilience, sustainability, and societal development.

Keywords: Capacity building, rural development, agricultural stakeholders, management skills, conceptual frameworks

Introduction

From the early 1960s to the 1990s, the history of capacity building witnessed shifts in focus. Initially, it centered on institutional building in the 1950s-60s, transitioning to development management in the 1960s-70s. The emphasis shifted towards the private sector's development in the 1970s-80s, and by the 1980s-90s, it was firmly embedded within development organizations (Wubneh, 2003). During the 1960s-70s, teaching methods shifted from training to workshops and passive learning to active learning (Adam *et al.,* 2007). Subsequently, from the 1980s onwards, attention moved from individuals to groups and organizations (Adam *et al.,* 2007). Capacity building emerged as an essential development approach in the 1990s, emphasizing the enhancement of knowledge, skills, and competencies at various levels to ensure effectiveness and efficiency in work (Sessions, 1993). It has become integral to organizational development, promoting sustainability (Sessions, 1993).

Capacity, in general, refers to the ability of individuals, communities, or organizations to fulfil their responsibilities towards predetermined goals (Hussein, 2006). It encompasses both hard attributes like skills and resources, and soft attributes like beliefs and motivation (Hunt, 2005). Capacity building, on the other hand, involves enhancing the capabilities of individuals or organizations to achieve their goals effectively (Lusthaus*et al.,* 1999). It emphasizes continuous learning, sharing experiences, and co-learning supported by

experts in the field (McKenzie, 2007). The focus is on improving performance, problem-solving abilities, and decision-making power (UNEP, 2006).

Capacity building is a continuous process aimed at stimulating the development of skills and knowledge within individuals, organizations, and society (UNISDR, 2011). It involves employing various activities, strategies, and approaches to improve performance and achieve objectives (CIDA, 2014). This process is about managing transformations and ensuring resilient societies can achieve their goals (Capacity Development, 2014). In rural development, capacity and capacity building have become crucial factors for success, especially in a globalized world with changing resource availability and technology (Enemark and Ahene, 2002; WRI, 2008).

Importance of capacity building

Capacity building is vital for farmers and rural extension staff alike. Smallholder and poorer farmers, particularly women, hold significant potential for national economic growth, but they often face challenges due to traditional farming methods, limited access to inputs, and lack of technical knowledge. Capacity building initiatives are essential to equip them with the skills and resources needed to enhance productivity and improve their livelihoods (Kumari and Khanduri, 2019). Similarly, rural extension staff play a crucial role in facilitating farmer learning and decision-making processes, yet they encounter challenges such as delayed information and inadequate resources. Strengthening the capacity of extension staff is crucial to ensuring effective extension services that support the needs of poor farmers and contribute to rural development (Kumari and Khanduri, 2019).Capacity building is an important factor for achieving good governance in a strategic way (Dian, Faizal and Hasanah, 2022).

Management skills

Management skills encompass the attributes and abilities necessary for executives to fulfil organizational tasks efficiently, avoiding crises and promptly resolving issues (CFI, 2022). These skills, acquired through learning and practical experience, facilitate effective communication with co-workers and subordinates, ensuring smooth organizational operations. Integral to an organization's success, proficient management skills enable managers to advance the company's mission with minimal internal and external obstacles (CFI, 2022). Management skills encompass planning, decision-making, problem-solving, communication, delegation, and time management, essential for effective functioning at all levels within an organization (CFI, 2022). Robert Katz identifies three fundamental types of management skills: technical skills for utilizing various techniques, conceptual skills for abstract thinking and problem-solving, and interpersonal skills for effective interaction and motivation of employees (CFI, 2022).

Levels of capacity building

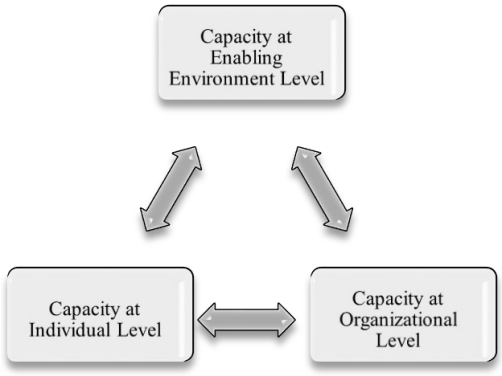

Fig 1. Levels of capacity building

Capacity building operates across three distinct levels: individual, institutional/organizational, and societal. At the individual level, emphasis is placed on enhancing the skills, knowledge, and experiences of individuals within organizations and societies. This includes fostering demand-driven learning processes, sharing knowledge and experiences, and empowering individuals through various learning techniques. At the institutional/organizational level, the focus shifts to procedures, policies, systems, and culture within organizations. Capacity building initiatives aim to modernize institutions, develop effective management practices, and support the formation of sound policies and structures. Finally, societal-level capacity building addresses broader societal elements such as values, customs, traditions, and governance systems. This level is often overlooked but is crucial for overall societal development. Effective capacity building across all levels is essential, as disruptions or interventions at any level can impact the functioning of the others (Capacity Development, 2014). Individual capacity is characterized by leadership, entrepreneurship, financial literacy, technological proficiency, and political acumen, while social capacity encompasses traits like participation, cooperation, trust, communication, and shared values (Communication; Organizational; Electoral) (Adhikari *et al.*, 2007; Capacity Building, 2014; Williamson, 2014).

Conceptual framework

The conceptual framework introduces a framework for analysing capacity within development projects, aiming to guide the assessment of capacity at individual and social levels and to delineate the role of projects in capacity building, thus enhancing intervention success and sustainability. Drawing on multiple theoretical perspectives such as social and human capital theory, social capacity, and competencies evaluation methods, the framework adopts a multidisciplinary approach. It is descriptive and exploratory in nature, highlighting critical elements of capacity at each level—individual and social—focused on technical, behavioural, and contextual dimensions. Changes in capacity are assessed through performance and outcome indicators, considering the unique context of each project. The framework can be applied across different stages of the project cycle, facilitating diagnosis during formulation, enhancing planning by leveraging existing capacity, and aiding monitoring and evaluation to track capacity changes and project effects (Korten, 1980; Uphoff, 1985; Cernea, 1992; Oakley, 1993; Chambers, 1997; Friedmann, 1993; Cazorla, and Friedmann, 1995; Lusthaus*et al.*, 1995; Brown, LaFond and Macintyre, 2001).

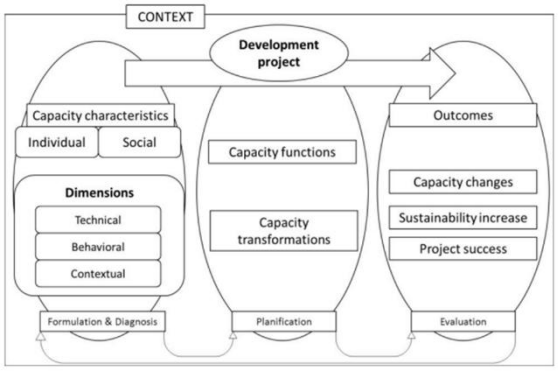

Fig 2. Conceptual framework for development project (Merino and Carmenado, 2012)

Approaches to capacity development

Approaches to capacity development encompass various strategies tailored to organizational, institutional, systemic, participatory, and process-oriented perspectives. The organizational approach, rooted in organizational development (OD), focuses on enhancing internal capacities to achieve organizational results through bureaucratic improvements and prescribed stages of development. Conversely, the institutional approach, influenced by institutional economists like North, emphasizes the capacity to create, change, enforce, and learn from societal rules and processes, reflecting the importance of globalization and democratization. The systems approach takes a multidimensional view, considering interactions among actors, power dynamics, and linkages within systems of organizations and institutions, advocating for comprehensive strategies spanning national to local levels. Meanwhile, the participatory process approach underscores the importance of participatory, empowering partnerships for sustainable development, emphasizing local expertise and grassroots involvement. The UNDP approach delineates a five-step process integrated into programming, including stakeholder engagement, capacity assessment, response formulation, implementation, and evaluation, supported by advocacy, tools, knowledge services, program support, and partnerships (Morgan, 1989; North, 1994; Cohen, 1994; Fowler, 1997; UNDP, 2009).

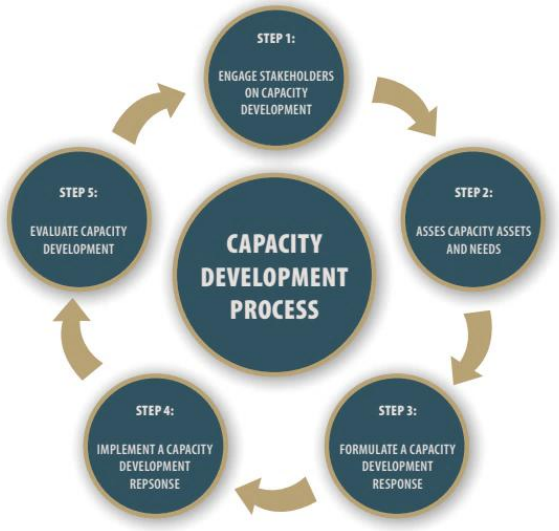

Fig 3. Steps in UNDP approach of capacity building

Influential core issues impacting capacity development

Four core issues exert the greatest influence on capacity development, drawn from empirical evidence and UNDP's experience. These issues encompass institutional arrangements, comprising policies, practices, and systems facilitating effective organizational functioning; leadership, encompassing the ability to inspire and drive change at various levels; knowledge, which underpins capacities and can be fostered through education, training, and shared experiences; and accountability, wherein rights holders can ensure duty bearers fulfil obligations, enhancing transparency, responsiveness,

and legitimacy in decision-making (UNDP, 2009).

Capacity building methods

Capacity building methods for farmers and rural extension staff encompass various approaches such as conferences, workshops, consultations, study tours, participatory research and extension, on-job training, demonstration plots, coaching, mentoring, and farmer-to-farmer learning. These methods utilize diverse sources of information including training materials, workshops, project documents, national networks, and on-the-job learning. Key tools for capacity development include information dissemination, training, facilitation and mentoring, networking, and feedback mechanisms. While training is commonly employed, follow-up support is often lacking. Learning-by-doing approaches, demonstration plots, cross visits, and Farmer Field Schools are effective in transferring knowledge and skills, particularly in remote areas. Smallholder irrigators benefit from specialized training, while market-oriented production capacity is enhanced by NGOs and the private sector. Farmer-to-farmer learning facilitates practical knowledge exchange and accelerates innovation dissemination (Kumari and Khanduri, 2019).

Education role in capacity building

Capacity building is an ongoing process aimed at enhancing individuals, organizations, and institutions, often facilitated by external assistance. It emphasizes utilizing and strengthening existing capacities while also accommodating radical changes as needed. Education plays a crucial role in this process by identifying societal challenges, facilitating access to information, establishing institutional capacity, addressing human resource limitations, and fostering positive societal systems (WHO, 2001).

Capacity development for agricultural innovation systems

Innovation in agriculture is crucial for addressing global challenges like food security, climate change, and poverty alleviation. Agricultural Innovation Systems (AIS) involve complex networks of actors, institutions, and policies facilitating the development and utilization of agricultural products and practices (IFPRI, 2019). However, many countries struggle to fully exploit their innovation potential. The Tropical Agriculture Platform (TAP) was established to enhance AIS performance, particularly for small- and medium-scale producers (Aerni *et al.*, 2015). Yet, surveys reveal shortcomings in Capacity Development (CD) initiatives, often lacking integration and alignment with local innovation systems. In response, TAP partners are developing a Common Framework for CD in AIS, aiming to harmonize approaches and optimize resource use. This framework acknowledges the multi-stakeholder, endogenous nature of innovation processes and emphasizes four key capacities: navigating complexity, collaboration, reflection and learning, and engaging in strategic and political processes (TAP, 2016). The operational approach outlined in the Common Framework includes stages such as galvanizing commitment, visioning, capacity needs assessment, strategy development, and implementation. Integrated monitoring and evaluation mechanisms ensure ongoing adaptation and improvement, emphasizing the

importance of collective learning and adaptive management for effective CD in AIS.

Examples

In the context of addressing fish consumption advisories in the Detroit River, Kashian *et al.* (2014) engaged 44 stakeholder organizations to enhance community capacity. Their approach involved assessing existing capacity through interviews and surveys, identifying weak ties in collaboration between the USA and Canada, and forming working groups to address priority issues and define organizational roles. This effort led to improved stakeholder awareness and collaboration, evidenced by increased network capacity and issue awareness among participants. As a result, outreach materials addressing environmental justice concerns and risk-analysis models for contaminants in fish were developed, with researchers able to better align their efforts with stakeholder needs. Similarly, the Food and Agriculture Organization (FAO) provides capacity development opportunities for countries in developing food-based dietary guidelines, offering training workshops and technical consultations. In 2016, FAO led regional workshops aimed at assisting member countries in creating and implementing their own guidelines across various sectors, including health, agriculture, and nutrition education programs.

Capacity development of agricultural stakeholders

Stakeholders are individuals, groups, or organizations who are either involved in what a company does or will be affected by its actions, now or later (Bolinson*et al.*, 2021).Capacity development among agricultural stakeholders, as highlighted by Kumar *et al.* (2017), is crucial given the dynamic nature of agricultural systems and the diverse needs of stakeholders involved. This includes various actors such as international organizations like FAO, national bodies like the Ministry of Agriculture, NGOs, input suppliers, extension officials, and farmers. The study underscores the significance of addressing training gaps, particularly among government extension officials, with research indicating a higher prevalence of gaps compared to private counterparts. Farmer interest in training focuses primarily on crop production, post-harvest technologies, marketing techniques, and group formation, with preferences for shorter-duration sessions due to scheduling constraints. Public extension officials favour training from academicians and scientists, while private extension officials prefer learning from experienced colleagues. Farmers, on the other hand, prefer training from successful local farmers. Different training methods are preferred by each group, with demonstrations and field visits favoured by public officials, group discussions and video lessons by private officials, and demonstrations and SMS by farmers, emphasizing the importance of tailored approaches to capacity development.

Measuring capacity development

Measuring capacity development poses a significant challenge, requiring a shift towards assessing concrete changes in performance, stability, and adaptability within institutions. This involves understanding capacity within a systemic context, recognizing the multifaceted interventions necessary for transformation. Capacity development should be gauged

by improvements in efficiency, effectiveness, risk mitigation, institutionalization, and investment for growth and change. The objectives of capacity development programs should be clearly defined, with success measured by tangible evidence of actual changes relevant to development agendas. An illustrative example provided by the UNDG (2018) highlights indicators for measuring vocational skills development at the individual, organizational, and enabling environment levels. Tools for measurement include skills tests, peer reviews, stakeholder reports, and surveys, emphasizing the need for comprehensive assessment across different capacity levels.

Difficulties in capacity building

Capacity building is a complex endeavour fraught with risks, uncertainties, and ambiguous results, as noted by Morgan (1998). Its methodologies are often uncertain, objectives are contested, and outcomes are unpredictable and difficult to quantify. Moreover, capacity building efforts may lead to unintended consequences, and those championing such initiatives often receive little recognition for their efforts. The effects of capacity building may take a long time to materialize, further complicating the process.Often, programs for developing capacity focus on short-term or one-time events instead of longer-term plans. They might not fully grasp the needs and priorities of the local community, or they may not connect well with other related efforts (Porzecanski*et al.*, 2022)

Recommendations for building the concepts

Khan (2014) proposes several recommendations for building conceptual frameworks in capacity building. Firstly, he emphasizes the importance of conceptual frameworks that integrate capacity building into society's welfare, following a hierarchical order. Secondly, he suggests that capacity building should target various sectors of society, such as students, teachers, administrators, politicians, and farmers, aiming to enhance capability across diverse areas. Thirdly, he outlines a hierarchy of concept building steps, including accessing and utilizing information, initiating behavioural changes, enhancing human resource capacity, expanding operational capacity, and fostering a sound societal system. Lastly, Khan advocates for government collaboration with the private sector to bolster individual capacity, emphasizing financial assistance for societal welfare and stressing the need for close cooperation between government and non-governmental agencies to ensure smooth national development.

Conclusion

Capacity building is a multifaceted and dynamic process that has evolved over the decades, adapting to shifting priorities and contexts. From its early focus on institutional building to its integration within development organizations, capacity building has become integral to promoting effectiveness and efficiency in various sectors. It encompasses individual, organizational, and societal levels, aiming to enhance skills, knowledge, and competencies to achieve predetermined goals. Key elements such as management skills and conceptual frameworks play crucial roles in facilitating capacity building initiatives. However, capacity building efforts face challenges such as

measuring outcomes, addressing core issues, and selecting appropriate methods. Despite these challenges, recommendations put forth by scholars like Khan emphasize the importance of integrating capacity building into broader societal welfare and fostering collaboration between government and non-governmental agencies. Overall, capacity building remains essential for fostering resilience, promoting sustainable development, and addressing complex societal challenges in a rapidly changing world.

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