

Building Capacity in Nonprofit Human Service Agencies Through Organizational Assessment During the Accreditation Process

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Abstract

The purpose of this study was to explore the effects of organizational self-assessment as a tool to enhance organizational capacity in nonprofit human service agencies when it is performed as part of an accreditation process. Eighty-eight organizations completed a self-assessment pretest designed to measure capacity at the beginning of an accreditation process and then the same self-assessment posttest at the end of the accreditation process. The findings reveal that 59% of these organizations demonstrated an increase in capacity. Organizations identified their greatest capacity challenges. The findings mostly support the premise that organizational self-assessment is a beneficial process in building capacity.

Keywords: *capacity building; organizational assessment; self-assessment; accreditation; nonprofit human service organizations*

The nonprofit sector is diverse in its scope, mission, and role within the national landscape and has contributed to social innovations and service delivery. Nonprofit organizations provide vital human and social services in the United States. Three fields compose most nonprofit employment: health, 57%; education, 15%; and social services, 13%. Based on 2009 data, nonprofit organizations accounted for nearly 10% of the country's workforce with 13.5 million employees, employing more than the finance, insurance, and real-estate industries combined. Nonprofit agencies contributed to the nation's economy, spending \$1.9 trillion, with investments in all 50 states (Independent Sector, 2012). As such, the extent to which these agencies achieve outcomes and garner support matters greatly in the communities they serve. However, nonprofit organizations have vulnerabilities in the areas of economic stability and sustainability (Frumkin, 2002; Oster, 1995; Salamon, 1995, 2003) and the ability to demonstrate effectiveness (Patti, 1988).

Organizational capacity is defined as the means of enhancing or the activities that enhance (a) leadership and strategic planning, (b) management and operations, (c) human resources, and (d) technology, to improve organizational effectiveness in support of its mission (Blumenthal, 2003; McKinsey and Company, 2001). Building organizational capacity is important for nonprofit organizations to be sustainable and purposeful. The purpose of this study was to explore the effects of organizational self-assessment as a tool to enhance organizational capacity in nonprofit social service organizations when it is performed as part of an accreditation process. The Council on Accreditation (COA), a national independent accreditor of human and social service organizations, affords organizations the opportunity to implement nationally vetted administrative, management, and individualized service standards in an effort to build organizational capacity. Additionally, the COA recommends an organizational self-assessment as part of the accreditation process during the initial steps. In this study, I compared the results of the original organizational assessment to the results of the same assessment administered again, upon completion of the accreditation site visit. The first and second self-assessments used for this study had no bearing on accreditation outcomes. Therefore, in this study I explored whether performing an organizational self-assessment as part of the accreditation process had any effect on capacity building as perceived by the participating organizations.

Literature Review

Challenges to Nonprofit Human Service Organizations

Nonprofit human service agencies differ in size and scope, culture and structure, yet they share similar challenges in regard to surviving, achieving client outcomes, and being mission driven. Nonprofit human service leaders build and maintain capacity in a challenging climate, which influences how they operate. In an environment of high accountability and performance-based contracting, there are inherent obstacles to the sustainability and effectiveness of these organizations, particularly the relationship between mission and public funding and the relationships between the other two social services providing entities: governmental agencies and for-profit companies.

The relationship between the government and nonprofit organizations is complex. The government plays multiple roles in the service delivery arena. It funds and con-

tracts with nonprofit agencies and concurrently offers services as a public provider. Milward (1994) described the government–nonprofit exchange as a “hollow state” in which the system of third-party reimbursement separates government from service delivery. This phenomenon places nonprofit human service agencies in a role in which they need to balance the demands of the government with those of the clients they serve, as illustrated in Figure 1.

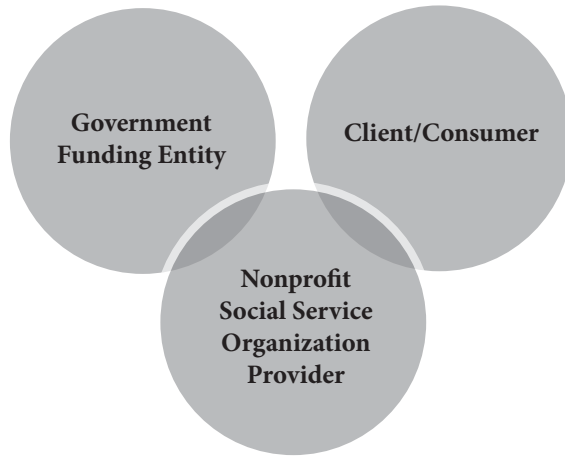


Figure 1. Funding–consumer–provider triad.

Government funding for nonprofit programs typically does not support infrastructure, information, or human resources development, taxing organizational capacity. For example, in the first five months of 2010, 63% of U.S. nonprofits reported an increase in demand for service, yet 38% reported in 2011 that government funding had decreased (Independent Sector, 2012), further complicating the fragile balance of the hollow state. Mandates and expansive reporting requirements create for the nonprofit agency two essentially different client stakeholder groups with different needs: the nonprofit consumer/client and the government funder (Fredricksen & London, 2000; Mirabella, 2001; Williams-Gray, 2009). The mission to serve and the mission for sustainability are at times at odds within the nonprofit organization. The chase for financial resources may drive organizations to operate by a funding-driven mission instead of a mission-driven funding philosophy (Miller, 2005; Oster, 1995).

Nonprofit organizations start from a different position of advantage when competing with the government and for-profit organizations for the same contracts. Often, for-profit entities enter the human service arena with fiscal and technical resources, but not the history or mission imperative of nonprofit providers. Although they may wish to attain their human service mission, their service delivery is primarily market based rather than need based. Therefore, the government promulgates rules and passes through funds, nonprofits are mission driven, and for-profits are bottom-line driven (Light, 2002, 2004; Miller, 2005; Mirabella, 2001).

Because of the uncertainty in the current service delivery environment, organizations are often selected for funding based on effectiveness. Organizations with diverse typologies exist in a climate of economic uncertainty and regulatory complexity and have varied assessment needs to support organizational capacity development. In this environment, assessing capacity to maintain viability and ensure effectiveness is a matter of organizational survival.

Organizational Capacity

Seminal theoretical work in the field of nonprofit leadership and management includes Light's (2002, 2004) contribution, which refers to organizational capacity as the total output or activity necessary to actualize the organizational mission. This definition contrasts with a common misunderstanding that *organizational capacity* and *infrastructure* are interchangeable terms. Organizational capacity is conceptualized here as the spectrum of resources, actions, and activities necessary for the organization to sustain, grow, and be effective in achieving its purpose and mission (Blumenthal, 2003; Light, 2002, 2004; Williams-Gray, 2009). This definition recognizes that organizations or agencies move through stages of growth and, at the same time, retains an emphasis on achieving mission and purpose.

Organizational capacity has been defined as the vehicle for organizational sustainability and effectiveness (Blumenthal, 2003; Campobasso & Davis, 2000; McKinsey and Company, 2001). Sowa, Selden, and Sandfort (2004) discussed organizational effectiveness as management effectiveness and program effectiveness. The connection between organizational capacity and service effectiveness (Patti, 1988) is described as complementary and mutually congruent. Organizational effectiveness is the desired outcome of organizational capacity; thus, definitional clarity may be achieved by translating organizational effectiveness into generally accepted core components of organizational functions (i.e., mission, leadership, resource development, collaborative alliances) and matching these core elements to activities and actions that provide measurable outputs of capacity building. An outcome of organizational effectiveness is competent management and administration systems (processes and structures) and well-run programs (Council on Accreditation for Children and Family Services, 2006; Light, 2002, 2004; Sowa et al., 2004). The eight elements of organizational capacity are defined in Table 1 (Williams-Gray, 2009).

Variation persists in what the term *organizational capacity* means and encompasses. McKinsey and Company (2001) acknowledged the difficulty organizations and venture philanthropic groups have defining capacity building, but also noted that it is understood as a means to strengthen the nonprofit sector. According to Light (2004), capacity building is

designed to change some aspect of an organization's existing environment, internal structure, leadership, and management systems, which, in turn, should improve employee morale, expertise, productivity, efficiency which should strengthen an organization's capacity to do its work, which should increase organizational performance. (p. 46)

Table 1*Organizational Capacity Elements and Definitions*

Organizational capacity element	Definition
Mission and Goal	Identifies if there are values, philosophies, or ideas that provide direction to the organization, such as strategic planning.
Governance and Leadership	Assesses the strength of the leadership in terms of decision-making processes and the manner in which roles and responsibilities are carried out. This includes the board, CEO, and the senior management staff.
Financial Resource Management	Recognizes the organization's need for revenue and its ability to obtain and manage these resources.
Human Resources	Assesses structures and processes that provide competent skilled staff, and development and retention of the staff.
Information Technology	Evaluates an organization's ability to use technology adequately, including database management and website development.
Community Linkages	Assesses an organization's relationships with other agencies, outreach programs, and the community at large to deliver services effectively.
Cultural Competence	Identifies an organization's ability to successfully serve and monitor various targeted cultural groups through representation and performance among staff members.
Performance Quality Improvement and Outcomes	Measures an organization's capacity to identify outcomes and appropriate measures, collect and manage data, and use data to determine performance and make improvements to organizational structure.

Light (2002, 2004) also advanced a practical perspective by equating capacity building with common sense and good practice. Accordingly, his definition of organizational capacity building is inclusive of all activities that enhance, support, or replenish capacity so the organization can achieve its mission. Capacity development is linked to continued quality improvement and service delivery. In summary, strengthening capacity strengthens an organization's effectiveness, sustainability, and ability to assist clients in achieving their desired outcomes.

Organizational Assessment

The purpose of an organizational assessment is to understand an agency's capacity and needs, to provide a baseline of current functioning to determine the type and scope of intervention needed to achieve the desired change or adaptation, and to strengthen and increase an organization's effectiveness. An organizational assessment may be used to determine what capacities the organization possesses and what capacities the organization needs to develop to implement programs with quality (Chinman, Imm, & Wandersman, 2004; De Vita, Fleming, & Twombly, 2001; Jackson, 2009). It is focused on the current reality of an organization's situation in regard to capacity and effectiveness and provides a basis for strategic planning. A useful assessment describes the assets and gaps in the situation and is based on feedback of the stakeholders (Linnell, 2003).

Effective capacity building begins with a thorough assessment of the needs and assets of the nonprofit human service organization and the community in which it operates (De Vita et al., 2001; Jackson, 2009). Assessment is a means of determining organizational functioning and needs for the purpose of increasing capacity and effectiveness. An underlying assumption is that organizational assessment begins and is part of the capacity-building process for an organization. Assessment is a process that provides a benchmark of an organization's current functioning and a direction for performance improvement and organizational development. Assessment supports quality improvement and strategic planning, organizational learning, and evaluation.

Human service organizations have options based on their needs, unique circumstances, time, and available resources when determining how to approach assessing their capacity. For example, they may engage in externally driven assessments by contracting with consultants for time-specific action plans to develop organizational capacity, by becoming part of university-driven capacity-building projects, or by participating in venture philanthropy in which a grant-making entity works with an organization and uses a funding process to invest in its long-term performance through assessment and development (Salamon, 2003). Self-assessment, as evaluated in this study, is usually a process that begins internally with organizational leadership, to prepare for strategic planning, to determine readiness for change, or to benchmark the organization's current capabilities.

Accreditation and Capacity Building

The process of accreditation may support capacity building in nonprofit human service agencies. Johnson and Grieder (2005) promoted a process model of accreditation that seeks to "build a performance improvement system around accreditation standards" (p. 20). Johnson and Grieder noted three criteria necessary to support accreditation: "leadership that embraces change, stakeholder participation and open channels of communication" (p. 21). The process model is focused on two critical elements in capacity building: performance improvement and information technology. According to this model, these two elements of capacity are the most significant "drivers" for organizations to achieve accreditation and enhanced organizational functioning. This model is congruent to the means-to-an-end perspective (Morison, 2005), which supports accreditation as a process for continuous learning, self-assessment, and ongoing improvement.

The means-to-an-end perspective articulates a philosophy that accreditation is not an end point. It is a tool and a process for organizations to meet best practice standards and agencies' desired outcomes for the populations they serve. The organization's immersion in self-examination and growth is considered to be a major benefit of participating in the accreditation process. Morison (2005) described the core concepts of means-to-an-end thinking, including (a) the need for competent supervisory staff; (b) the importance of collaboration; (c) the necessity of a continuous connection between the agency's mission, strategic planning, and outcomes; and (d) the use of Continuous Quality Improvement to improve practice.

This research study was designed to determine what role, if any, organizational self-assessment in the context of accreditation has on improving capacity for nonprofit human service organizations. The premise of the study is that the process of organizational self-assessment may be a valuable tool for organizations to enhance their capacity.

Method

Participants

This research study was conducted under the auspices of the COA to ascertain the value of organizational assessment as a capacity-building vehicle. The COA is a national accrediting body for organizations that provide child and family services, residential services, behavioral health care, and adult and community services. Organizations engaged with the COA range broadly in size, scope, geographic location, budget, and auspices. Agencies seek to demonstrate best practices in administration, management, and service delivery standards through the accreditation process consisting of an intake (which includes the initial organizational assessment), preparation of a self-study, and a peer-review site visit. The peer-review site team comprises specially trained agency leaders with expertise in administration, management, and service standards. The final step in the process is the decision-making protocol of the commission. The study sample consisted of nonprofit human and social service organizations seeking COA accreditation or reaccreditation from 2006 to 2008. During the study time frame, 265 nonprofit human and social service organizations met the criteria for this study by engaging in the accreditation process. I was a member of the COA team at the time of this study. I obtained institutional review board approval from my university.

The demographic profiles of the organizations revealed characteristics of the sample population during intake, including that 61% of organizations described themselves as community based and 70% indicated that they had been providing services for more than 20 years. The organizations varied in size and scope, and 52% of the organizations provided services in more than one county or city. The majority (87%) provided services to children/adolescents and families. Over half (55%) of the participating organizations indicated that 50% of their budget consisted of government funding. Thirty percent of the organizations reported revenue of under \$2 million, 27% between \$2 million and \$5 million, 18% between \$5 million and \$10 million, and 25% over \$10 million.

Procedures

During the intake process, each agency completed the 56-item self-administered Assessment of Organizational Capacity (AOC). For this study, this is referred to as the pretest and established a baseline of the organization's perception of its preaccreditation capacity. It measured the eight elements of organizational capacity described in Table 1. This assessment was a required component of the COA accreditation intake, but was not an element considered during the accreditation process. The assessment was a tool to guide applicants in determining their needs for assistance and program improvements, but had no bearing on accreditation outcomes. Many months later, after the agency site visit by the COA peer-review team was completed, but before an accreditation decision was rendered, the organizations were asked once again to complete the AOC. For this study, this is referred to as the posttest. The results of the self-administered posttest were compared with those of the pretest to determine the agency's perception of change in its organizational capacity once it completed the milestones within the accreditation processes (self-study, site visit). The posttest assessment was designed to give the agency a point of comparison to determine if assessment and implementation of accreditation standards affected organizational capacity. Like the pretest, the posttest had no bearing on accreditation outcomes.

Measures

The AOC is a 56-item survey consisting of eight subscales. Each item was rated on a 4-point Likert scale: 1 = *strongly disagree*, meaning there is a need for increased capacity; 2 = *somewhat disagree*, meaning capacity is at a basic level; 3 = *somewhat agree*, meaning moderate capacity; and 4 = *strongly agree*, meaning the organization's practices reflect a high level of capacity. Each of the eight subscales that make up the AOC addresses an element of organizational capacity (COA, 2005). The adequacy of the reliability and validity of the eight subscales was determined by Philliber in 2004. These subscales are eight questions measuring mission and goals, or mission clarity; nine questions measuring governance and leadership; eight questions measuring financial resource management; seven questions measuring human resource management; four questions measuring information resource management; three questions measuring community linkages; three questions measuring cultural competence; and 14 questions measuring performance improvement and outcomes, originally named organizational performance outcomes.

Senior leadership staff within each agency, such as the CEO/executive director, vice president/COO, director of programs, or quality improvement director, completed the computer-based self-report survey of the agency's organizational capacity. If multiple leadership staff at the agency participated in the pretest, the agency was instructed to submit only one composite response. The respondents were instructed to fill in the circle in the column of each question that best described their assessment of their organization's capacity. Respondents were instructed to press "submit" once they had completed the survey. The questions and scores for respondents completing the survey by the hyperlink were automatically "dropped" into a dedicated SPSS database.

Analysis

Three analyses were performed in this study.

Capacity challenges: Pretest items that demonstrate variability. Of the possible 56 items on the AOC pretest, an analysis was performed to determine which of the

results of each of item demonstrated sufficient variation to warrant further investigation. More specifically, for each item all responses of *disagree* or *strongly disagree* were collapsed into one category representing “needing additional capacity.” Only items in which 10% or more of respondents indicated that they needed additional capacity were further analyzed. These items were then referred to as selected organizational capacity elements (SOCE).

Comparison of pretests and posttests. The organizations’ change in assessment of capacity and the direction of that change were calculated using a composite score of the aforementioned SOCE from the pretest AOC and the posttest AOC. The pretest score was subtracted from the posttest score such that a positive number indicated a positive change (increase in assessed organizational capacity) and a negative number indicated a negative change (decrease in assessed organizational capacity).

Comparison between perceptions of change in capacity and accreditation outcomes. The results of the direction of change between the AOC pretest and posttest scores were compared with the accreditation outcomes for each organization. The possible accreditation outcomes were collapsed into three categories: excellent, good, and insufficient. An excellent outcome was when all standards were implemented. A good outcome included Accreditation Commission decisions of accreditation and pending when the required changes were minor and could be completed by submitting additional documentation. Insufficient outcomes were deferred or deferred with technical assistance (TA), meaning considerable demonstration of standards implementation was still required. To test the association between change in organizational capacity (based on the pre- and posttests) and accreditation outcomes, chi-square analyses were used.

Results

Capacity Challenges: Pretest Items That Demonstrate Variability

Nineteen of the 56 items demonstrated variability after analyses of the AOC, constituting an opportunity to study the capacity needs of nonprofit social service agencies. These 19 items formed the SOCE, because they met the minimum criteria of response variability, with at least 10% of the agencies answering that they strongly or somewhat disagreed that they had sufficient capacity in those areas. As indicated in Table 2, the 19 items include five of the eight elements of capacity: (1) Mission & Goal (one item), (2) Financial Resource Management (three items), (3) Information & Technology (three items), (4) Cultural Competence (one item), and (5) Performance Quality Improvement (11 items). The internal consistency reliability of the SOCE responses at the pretest was .94 and at the posttest was .91 as measured by the Cronbach’s alpha. The three elements not represented are Leadership & Governance, Human Resources, and Community Linkages.

Table 2*Capacity Elements and Challenges Identified in Pretest Organizational Assessment: SOCE*

Capacity elements	Capacity challenges (SOCE)
Mission and goals	1) Our organization has clearly measurable goals/objectives/outcomes in a written strategic plan.
Financial resource management	2) Our organization has developed contingency plans for responding to changes in funding. 3) Our organization has developed a multiyear revenue strategy that addresses sources of funding and identifies areas in which revenues and expenses may not be balanced. 4) Our fundraising program has the staff and resources needed to meet funding goals.
Information technology	5) We have sufficient information management resources to support the collecting, analyzing, and sharing of information across our organization. 6) Our organization has invested in technology/automated systems and staff to support information management goals. 7) Information management supports quality service delivery at our organization.
Cultural competence	8) Our organization actively seeks involvement and feedback from community stakeholders and diverse perspectives.
Performance quality improvement and outcomes	9) Our organization has agreed upon the measures used in assessing progress toward achieving outcomes. 10) Data collection instruments and procedures are in place. 11) Our organization has sufficient measures and tracks progress toward outcomes. 12) Our organization regularly assesses program effectiveness by reviewing outcome data. 13) Our organization actively assesses program effectiveness based upon actual performance data/information and established benchmarks. 14) Our organization assesses current performance on outcomes against established benchmarks/targets. 15) We have an organizationwide continuous quality improvement program. 16) Performance information is reported at established time frames to the board and management staff. 17) Managers and staff use performance data/information to identify opportunities for programs/service delivery improvements and improve the quality of their work with clients. 18) Performance data/information is used to identify effective practices and interventions within our organization. 19) Evidence-based practices are continually studied and applied to improve programs/services.

Comparison of Pretests and Posttests

Of the 265 organizations that completed the pretest, 109 also completed the posttest within the study time frame of 2006–2008. Agencies can complete the milestones (assessment, self-study, site visit, and decision protocols) of the accreditation process between 9 and 20 months. Thus, organizations still in the process of accreditation that did not yet have the site visit were not at the stage for the posttest reassessment. Twenty-one organizations with incomplete responses were removed from the sample because change could not be determined without the complete posttest. Therefore, the number of organizations available in the posttest was 88. The findings of organizational capacity change between pre- and posttests are illustrated in Figure 2.

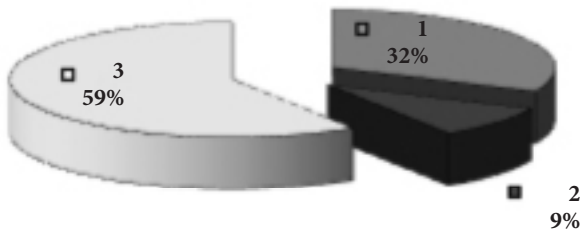


Figure 2. Change in agency assessment of organizational capacity from pretest to posttest. 1 = less capacity, 2 = no change in capacity, 3 = greater capacity.

As indicated in Figure 2, 59% ($n = 52$) of the organizations scored higher on the posttest than on the pretest. This outcome indicates that the organizations' assessment of capacity was higher at posttest following the assessment and accreditation process. Organizations that had the same score at pretest and posttest represented 9% ($n = 8$) of the sample. Thirty-two percent ($n = 28$) of the organizations scored lower on the posttest than on the pretest.

Comparison Between Perceptions of Change in Capacity and Accreditation Outcomes

As indicated in Table 3, 11 of the 88 agencies had insufficient accreditation outcomes. Eight of these 11 were among the 28 agencies with lower posttest capacity scores than pretest scores (28.6%). The other three were among the 52 agencies with higher posttest capacity scores than pretest scores (5.8%). None of the organizations with unchanged pre- and posttests had insufficient accreditation outcomes. The cross-tabulation presented in Table 3 shows the association between direction of change in organizational capacity and accreditation outcomes to be statistically significant ($\chi^2 = 12.55$, $df = 4$, $p = .01$). However, because more than 20% of the cells in this table have expected counts of less than 5, statistical significance cannot be confirmed.

Table 3
Relationship Between Change in Capacity and Accreditation Outcomes

Change in capacity	Accreditation outcomes			
	Excellent <i>n</i> = 55 <i>n</i> (%)	Good <i>n</i> = 22 <i>n</i> (%)	Insufficient <i>n</i> = 11 <i>n</i> (%)	Total <i>n</i> = 88 <i>n</i> (%)
Organizations with higher posttest capacity, <i>n</i> = 52	35 (67.3)	14 (26.9)	3 (5.8)	52 (100)
Organizations with unchanged posttest capacity, <i>n</i> = 8	4 (50)	4 (50)	0 (0)	8 (100)
Organizations with lower posttest capacity, <i>n</i> = 28	16 (57.1)	4 (14.3)	8 (28.6)	28 (100)
Total, <i>n</i> = 88	55 (62.5)	22 (25)	11(12.5)	88 (100)

Note. $\chi^2 = 12.55$, *df* = 4, *p* = .01.

Discussion

The results of this study indicate that the majority of agencies that engaged in the self-assessment process as part of implementing accreditation standards enhanced their organizational capacity over time. Fifty-nine percent of the agencies had higher scores on the posttest in comparison to the pretest for the 19 SOCE. This is important because organizational capacity is predictive of organizational sustainability and maturation as well as the ability of the agency to provide effective services to clients. As this assessment process was self-administered by each organization’s director, the results of this study demonstrate the value of introspection by the leadership team as a means of exploring the future trajectory of the agency’s development. Therefore, leaders who engage in honest self-assessment can benchmark their performance and develop strategies to expand capacity. These findings provide agency leaders with validation that investing time and resources in the process of organizational assessment may be worthwhile, positioning them to gain support from stakeholders (i.e., boards, staff, funders, and consumers) to engage in capacity-building activities.

Although the majority of the organizations scored higher on the posttest than on the pretest in regard to the SOCE, it cannot be ignored that nearly one third of the agencies had a decrease in capacity as indicated by a lower posttest score than pretest score. Furthermore, an additional 9% of participating organizations demonstrated no difference in scores between pre- and posttests. There are a number of possible reasons for this: (1) Some of the agencies that initially had high capacity ratings during the pretest, because they were already functioning at such a high level, subsequently did not improve or may have experienced a slight decline in capacity during the accreditation process. (2) Some of the agencies may have been in a state of decline between the pre- and posttest because of developmental or environmental conditions, which could not be remedied by an organizational assessment process. (3) The accreditation process may have placed additional stress on the agency’s already strained capacity, resulting in lower scores at the posttest. (4) Some of the agencies may have unrealistically inflated

their pretest ratings of their agency's functioning and subsequently realized through the assessment process that their perception of their capacity was lower than they originally thought. Thus, the activity of assessment may have reframed the organization's original sense of overall functioning and capacity.

An interesting finding of this study is the relationship between change in organizational capacity and accreditation outcomes. As many as eight of the 11 agencies that had insufficient accreditation outcomes were among the 28 agencies with decreased organizational capacity on the posttest, representing over one quarter of that cohort. Only three out of the 52 agencies that improved their capacity on the posttest had insufficient accreditation outcomes, representing less than 6% of that cohort. This demonstrates the value of the self-assessment process in regard to increasing organizational capacity and to enhancing the likelihood of successful accreditation outcomes. However, it is also important to consider why three agencies that scored higher on the posttest than on the pretest had insufficient accreditation outcomes. Most likely, these three agencies were unrealistic in regard to their ratings of the quality of the different facets of their agencies. This could have been due to a lack of comprehension of the different aspects of effective organizational functioning or due to collective denial on the part of management regarding the significant problems in their organization. This points out the need for agency leadership to engage in an authentic introspective process when performing an organizational assessment for this to be a meaningful growth activity.

A significant aspect of this study is the identification of the SOCE. These represent the 19 out of 56 items in the original AOC that 10% or more of the agencies identified as needing improved capacity. It is noteworthy that all 11 items on the AOC related to performance quality improvement were identified in this process, suggesting that many organizations struggle with how to collect and use data for the purposes of organizational and program improvement. Likewise, organizations identified three items each in the areas of financial resource management and information technology as presenting challenges, including funding diversification, fundraising, and efficiencies in technology to support organizational systems. Mission clarity, which is the relationship of mission to strategic planning, was the only mission and goals-related item identified. Likewise, the only item identified related to cultural competence was the inclusion of diversity in decision making. None of the capacity questions about leadership and governance were identified. Given the attention to leadership changes anticipated because of baby boom retirement, this projected transition seems to be a reasonable capacity challenge. However, it is not likely that any organization will publicly identify its leadership as vulnerable. Even though organizations traditionally identify staff recruitment and retention as a challenge, human resources management did not emerge as a capacity challenge. This study demonstrates that the enumeration of the SOCE provides an opportunity to identify the specific management and administration capacities needing growth or strengthening within organizations.

Limitations

The effect of the accreditation process on agencies' self-reporting of capacity needs is a limitation of this study. Even though participating agencies were told that the results of the pre- and posttests would not affect their accreditation outcomes, the agen-

cies still may have been hesitant to reveal their deficits. That agencies acknowledged vulnerabilities is noteworthy and adds credibility to the identification of the SOCE. However, the sample of agencies completing the assessment of organizational capacity did not select any challenges in the governance and leadership capacity area, which may have been due to reluctance to report this to an accreditation body. A second limitation is that this study was focused only on an organizational self-assessment process. The results of this study cannot be generalized to organizational assessments performed by external consultants. An additional limitation is that different individuals may have completed the pre- and posttest, even though the instructions for the surveys specified that the same person should complete both. If the agencies did not follow this directive, this could have affected the results. Finally, it was outside of the scope of this study to create a clear distinction between the discreet process of organizational assessment and the accreditation process. The results of the posttest in particular were influenced by the organizational assessment and accreditation activities, and the effects of each of these on capacity building cannot be readily separated.

Conclusion

The literature supports that there is a relationship between capacity building and organizational assessment, that the process of assessment in itself is a tool for capacity building. Assessment is the baseline for evaluation and the basis of formulating a change strategy.

This study lends some support to the premise that organizational self-assessment is an effective tool for increasing organizational capacity in nonprofit social service agencies. The majority of agencies in this study that completed an organizational assessment demonstrated enhanced capacity. However, it should also be noted that nearly one third of the participating agencies manifested reduced organizational capacity after engaging in the assessment process. These agencies were more likely to have had insufficient accreditation outcomes than were those whose capacity increased or remained unchanged. Therefore, although organizational assessment appears to be helpful for most agencies, more research is necessary to understand what factors influence successful organizational capacity development as a result of assessment. More qualitative studies focusing on human service organization leadership teams' experiences with the assessment process would be particularly informative in this regard.

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