Multilevel Learning in Nonprofit Organizations

Exploring the Individual, Group, and Organizational Effects of a Capacity Building Program

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Abstract

The purpose of this study was to (1) explore the individual level effects of a capacity building program targeting nonprofit leaders and (2) examine the extent to which the individual level effects of the program have become incorporated into organizations through shared understanding, processes, and structures. Through collection of data at two times over the 2-year capacity-building program, this study was able capture evolving insights from program participants. This study contributes to the capacity building and nonprofit education literature by examining the individual learning outcomes of program participants and assessing the extent to which individual learning is integrated into organizational practice.

Keywords: capacity building; leadership; organizational learning

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Nonprofit capacity building is a well-established organizational development strategy aimed at strengthening a nonprofit’s ability to achieve its mission. As such, philanthropic institutions and governmental entities have invested millions of dollars in nonprofit capacity building initiatives over the last few decades. The assumption underlying these investments is that by offering support for organizational development activities in the form of training, technical assistance, and consulting services, nonprofits will be better equipped to achieve their missions in the long term (Connolly, 2007; Linnell, 2003).

The scholarship generally supports the notion that capacity building efforts do in fact increase organizational capacity (Bryan & Brown, 2015; Kapucu, Healy, & Arslan, 2011; Minzner, Klerman, Markovitz, & Fink, 2014), but there is little scholarship exploring the individual level effects of capacity building interventions (for an exception, see Sobeck, Aguis, & Mayers, 2007). This is curious given that such interventions necessarily occur at the individual level. Individual organizational members are not only the recipients of capacity building activities, but they are also the carriers of new knowledge acquired through capacity building interventions into nonprofit organizations. In many circumstances, capacity building interventions target organizational leaders with the expectation that such efforts will enable each leader to “do his/her job more effectively” (Linnell, 2003, p. 13). However, the degree to which capacity building programs facilitate leadership development is understudied and warrants more scholarly attention.

In addition, a number of scholars have noted the importance of better understanding how individual level learning translates into organizational level outcomes (Bryan & Brown, 2015; Wing, 2004). These scholars suggest that organizational learning is an important factor in the nonprofit capacity building process. The organizational learning literature highlights the role individuals play in bringing knowledge into the organization and the organizational processes that institutionalize new knowledge into organizational systems (Argyris, 1977; Huber, 1991; Nonaka, 1994; Rashman, Withers, & Hartley, 2009). Currently, there is a dearth of research examining how and to what extent individual learning gained through nonprofit capacity building efforts are codified in nonprofit organizations.

The purpose of this article is twofold. First, it explores the individual level effects of an intensive 2-year capacity building program. Second, it examines the extent to which the individual level effects of the program have become incorporated into organizations through shared understanding, processes, and structures. Through collection of data at two points during the 2-year capacity building program, this study was able capture evolving insights from program participants. This study contributes to the capacity building literature by examining the individual learning of program participants and assessing the extent to which individual learning is integrated into organizational practice.

This article is organized in five sections. The following section presents the relevant literature on capacity building and organizational learning. Next, the Method section describes the data and analytical techniques utilized in this study. The Year 1 and Year 2 findings for the study are presented separately in the sections following the Method section. This article concludes with a discussion of the findings in the context of the existing literature and the implications of the study for research and practice.
Literature Review: Nonprofit Capacity Building

In general, nonprofit capacity is defined as the means by which nonprofit organizations demonstrate effectiveness (Kapucu et al., 2011). Often, effectiveness is defined in the nonprofit context as achieving mission. Both “mission achievement” and “effectiveness” are acknowledged as broad constructs with a variety of diverse definitions (Forbes, 1998; Mitchell, 2013; Sheehan, 1996). As a result, scholars have defined capacity, and by extension capacity building, in a manner that is inclusive of a number of organizational resources and capabilities that nonprofit organizations need to be effective. For example, Minzner et al. (2014) define capacity as the “skills, practices, and systems that allow NPOs to operate more effectively and sustainably” (p. 550), and Kapucu et al. (2011) define it as “organizational knowledge, systems and processes that contribute to organizational effectiveness” (p. 238). Capacity building efforts, therefore, consist of “activities that are designed to improve the performance of an organization by strengthening its leadership, management, or administration” (Light & Hubbard, 2004, p. 5).

Individual Level Effects of Nonprofit Capacity Building Programs

Though assumed to be an essential part of building organizational capacity, the individual level effects of such programs have not received much attention in the literature. There have been a few notable exceptions in which the effects of capacity building programs on individual organizational leaders and managers have been explored. In 2007, Sobeck et al. found that executive directors of nonprofit organizations reported increased knowledge about management as a result of participating in a capacity building program, though they did not find that executive director’s managerial skill level increased. In a more recent study, Bryan and Brown (2015) found that the individual level outcomes included improved managerial and leadership knowledge and skills and increased understanding of effective board governance practices. These findings prompted the authors to suggest that though most studies on capacity-building efforts have concentrated on the ways in which such programs enhance the more technical aspects of organizations, including processes and structures, this study suggests building the capacity of a nonprofit’s human capital is an important factor as well. (Bryan & Brown, 2015, p. 440)

In conjunction with the focus on individual level effects of capacity building programs, a number of scholars have emphasized the importance of building leadership capacity of nonprofit executives and staff (Connolly & York, 2003; Light & Hubbard, 2004; Millesen, Carman, & Bies, 2010). Leadership is often referenced as an essential dimension of organizational capacity (Christensen & Gazley, 2008; Connolly & York, 2002; Fredericksen & London, 2000; Ingraham, Joyce, & Donahue, 2003). Building on the work of Connolly and York (2002), Millesen et al. (2010) define leadership capacity in nonprofit organizations as the ability of the board and the executive to lead, inspire, and motivate . . . it provides direction and fosters an environment that allows the organization to be successful in accomplishing its core purpose by effectively communicating mission and vision, development of a strong relationship with the board and staff, establishing priorities and building a representative board. (p. 6)
Moreover, Millesen et al. found that while nonprofit executive directors were motivated to participate in nonprofit capacity building programs to build their leadership and adaptive capacity, funders described their capacity programs as offering “standard programs, services, and trainings designed to build management and technical capacity” (p. 11). This finding is also reflected in a study by Light and Hubbard (2004), who found leadership was among the least focused on dimensions of capacity among capacity building programs. They proposed a number of rationales for why this may be the case, including suggesting that leadership development and capacity building may be understood as distinct from one another or, conversely, that leadership development may be understood as synonymous with capacity building. In addition, Wing (2004) suggested another reason: Changes in organizational systems are easier to assess than changes in human behavior. Regardless of the reasons, it is evident that the individual level effects of capacity building programs have not been fully examined in research or in practice.

**Cross-Level Effects: Translating Individual Learning Into Organizational Learning**

How does building leadership capacity in individual organizational leaders ultimately result in organizational level effects? This is a critical question to answer because for capacity building efforts to be sustainable in nonprofit organizations, they have to incorporate the human and technical aspects of the organization. As Wing (2004) stated, capacity building has to be person carried or it is dead; yet is has to be institutionalized in systems or it evaporates. When we are measuring the effectiveness of capacity building, we have to look at people, systems, and how they relate and reinforce each other. (p. 158)

However, the cross-level effects of capacity building interventions have not been addressed in the nonprofit capacity building literature.

The emphasis on cross-level effects highlights the role that learning and knowledge transfer plays in nonprofit capacity building. Rashman et al. (2009) define organizational learning as “a process of individual and shared thought and action in an organizational context, involving cognitive, behavioral, and technical elements” (p. 470). Although the organizational learning literature is well established, there is limited research on organizational learning specific to the nonprofit sector (Rashman et al., 2009) and no published research specific to organizational learning and nonprofit capacity building. This study begins to close this gap by leveraging the organizational learning literature to gain a better understanding of how and to what extent capacity building interventions that target individuals are incorporated into organizational structures and processes.

A full review of the organizational learning literature is beyond the scope of this article, but two aspects of the organizational learning literature are particularly germane to this study. First, there have traditionally been two schools of thought on defining organizational learning. The first focuses on learning as a cognitive process; that is, it is the “acquisition of new insights whereby learners develop new cognitive maps or belief systems” (Scott, 2011, p. 3). Within this context, behavior change is not necessary to the learning process (Friedlander, 1983; Huber, 1991). The second school of thought emphasizes the importance of linking internalized learning with organizational ac-
tion (Argyris, 1977; Crossan, Lane, & White, 1999; Stata, 1989). As Stata (1989) stated, learning is “the process by which individuals gain new knowledge and insights and thereby modify their behaviors and actions” (p. 64). Taking it a step further, Nonaka (1994) described the importance of explicit knowledge, which can be “transmittable in formal, systematic language,” and tacit knowledge, which is “deeply rooted in action, commitment and involvement in a specific context” (p. 16). Within the context of nonprofit capacity building, explicit knowledge can be gained through capacity building activities; however, the incorporation of this explicit knowledge into the organization requires tacit understanding of the organizational context. This implies organizational learning requires not only internalized learning of the individual, but also application of that learning in the organization.

The second area of focus relevant to this study is the organizational learning literature on different levels of organizational learning. Inkpen and Crossan (1995) developed a multilevel framework for understanding learning in the organizational context. Three levels are examined, each with specific learning processes associated with them. The individual level focuses on the interpreting process that ultimately produces changes in individual behavior and beliefs. The group level emphasizes the integrating process in organizations, “manifested in coordinated group actions” (Inkpen & Crossan, 1995, p. 598), that produces shared understanding among organizational members. The organizational level targets the institutionalizing process that ultimately produces changes in organizational systems based on new knowledge and learning (Inkpen & Crossan, 1995). In general, Inkpen and Crossan found that translating individual level learning into organizational learning is problematic because of the institutionalized nature of organizational routines.

Taken together, these two streams in the organizational learning literature suggest that integrating learning into the organization is a complex and challenging task. Furthermore, one of the challenges of documenting organizational learning in the nonprofit capacity building field is time. Specifically, organizational learning processes may require a longer time horizon. This often means that evaluations of capacity building programs do not capture this data, because most program assessments occur before the organizational learning has taken place. Therefore, it is important to assess organizational learning at different times to understand more fully the extent to which individual learning is captured and embedded in organizational systems.

This literature review highlights two specific areas of research focus that warrant more scholarly attention. The first is the individual level effects of capacity building programs. This is important for two reasons: (1) Capacity building interventions target individuals, and (2) the knowledge gained through capacity building activities is carried into the organization through individuals. Thus, better understanding what the capacity building programs produce at the individual level is the first step in better understanding the learning processes by which these programs facilitate capacity building within organizations. Related to this, the second area is to better understand the extent to which individual learning is integrated into the organization’s processes, structures, and people. Therefore, this article responds to two research questions:

- What are the individual level effects of capacity building programs?
- To what extent do the individual level effects of the program become incorporated into organizational processes, structures, and people?
To explore the research questions, this study draws on the experience of participants in a 24-month capacity building program funded by a community foundation. There are a number of ways to build capacity in nonprofit organizations, including through training, grants, and technical assistance, but this study focuses on a structured capacity building program (Brown, 2014; Kibbe, 2004). Brown (2014) defines structured capacity building programs as

a method of building capacity where a) there is a specific focus or foci and b) there is more than one component supporting this focus or these foci (e.g. a grant and training event but not two different grants), and c) participants are generally either invited or had to apply—in other words, it was not a training event or conference usually open to all. (p. 95)

Brown (2014) finds that unlike capacity grants targeted to organization, and unlike training interventions targeted to individuals, structured programs typically produce effects at individual and organizational levels, making a structured program a good choice for the research setting of this study.

The capacity building program began in January 2014 and concluded in December 2015. Eight community nonprofit organizations participated in the program, with the ultimate goal of developing more effective nonprofit leaders, who in turn improve the infrastructure of their nonprofit organizations to fulfill their missions better. Program participants were chosen by the community foundation based on a number of criteria including evidence of 501(c)(3) status, sound financial position as evidenced in audits, and commitment of executive director and board chair to participate actively throughout the 24-month program.

The program included multiple interventions including an online organizational capacity assessment followed by a discussion at the board level with a capacity building consultant about the results; 4-hour monthly leadership development sessions for all executive directors in Year 1 and 5 sessions, in Year 2; quarterly leadership development sessions attended by board leaders (both board presidents and vice presidents) and executive directors in Year 1 (biannual joint session in Year 2); if needed, technical assistance in refining organizational strategic plan; and a $5,000 grant to support of capacity building efforts. The monthly and quarterly leadership development sessions included discussions and dissemination of tools related to nonprofit leadership, organizational development, development of organizational narratives, team building, strategic planning, board development, dashboards/key indicators, succession planning, and performance evaluation for the executive directors/CEOs (Bryan & Brown, 2015). In addition, the monthly and quarterly sessions included consultant-facilitated group discussions regarding the tools, common challenges, and questions the executive directors had about their capacity building needs and efforts. The logic model for this program is depicted in Figure 1.
Figure 1. Logic model for capacity building program. ED = executive director.
Data Collection and Analysis

Twenty-three interviews were conducted in two waves of data collection over 24 months. The first wave of data collection (N = 16) occurred between March and April 2015; the second wave of data collection (N = 8) was completed between March and April 2016. Interviews were undertaken to explore how and in what ways the capacity building program produced individual and organizational level effects for the program participants and their organizations. The interviews were semistructured to allow for the interview participants to discuss items on their own terms and to build rapport. The purpose of the interviews was to ascertain participants’ perspectives on their experience, and specifically their learning process, associated with the capacity building program over the course of 2 years. Specific questions related to the individual and organizational effects of the capacity building program on their respective organizations. For example, participants were asked if and how the program affected their role and abilities as an organizational leader. They were also asked if any changes had been implemented in the organization as a result of participating in the program. The interviews lasted for approximately between 30 and 60 min. Separate interviews were conducted with executive directors and board members in Year 1. Only executive directors were interviewed in Year 2 because most of the board member participants had rotated off the board by the end of the 2-year program. Table 1 provides a summary of the demographic and organization information for the interview participants.

Table 1
Interview Participant Profile

<table>
<thead>
<tr>
<th>Nonprofit organization</th>
<th>Type of services offered</th>
<th>Annual budget</th>
<th>Gender of ED</th>
<th>ED years in position</th>
<th>Gender of board member participant(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Youth</td>
<td>404,456</td>
<td>Female</td>
<td>3</td>
<td>Female</td>
</tr>
<tr>
<td>2</td>
<td>Health</td>
<td>543,119</td>
<td>Female</td>
<td>15</td>
<td>Male and Female</td>
</tr>
<tr>
<td>3</td>
<td>Latino immigrant</td>
<td>249,273</td>
<td>Male</td>
<td>6</td>
<td>Male</td>
</tr>
<tr>
<td>4</td>
<td>Youth mentoring</td>
<td>535,032</td>
<td>Female</td>
<td>6</td>
<td>Female</td>
</tr>
<tr>
<td>5</td>
<td>Food and urban farming</td>
<td>322,985</td>
<td>Male</td>
<td>3</td>
<td>Female</td>
</tr>
<tr>
<td>6</td>
<td>Advocacy and research</td>
<td>646,684</td>
<td>Female</td>
<td>4</td>
<td>Female</td>
</tr>
<tr>
<td>7</td>
<td>Food and urban farming</td>
<td>126,521</td>
<td>Female</td>
<td>3</td>
<td>Male</td>
</tr>
<tr>
<td>8</td>
<td>Housing</td>
<td>900,000</td>
<td>Female</td>
<td>3</td>
<td>Male</td>
</tr>
</tbody>
</table>

Note. ED = executive director.
All interviews were digitally recorded, transcribed, and coded into the MaxQDA software system for analysis. An initial a priori coding scheme was developed by the principal investigator. The coding structure was driven by two questions: (1) In what ways did the capacity building program build individual level capacity to manage and lead in nonprofit organizations? (2) To what extent were there changes in organizational processes and structures based on what they learned in the program? After some early coding was complete, the codes were revised to reflect the addition of new themes, finer parsing of existing themes, and the elimination of themes that were not useful. The results included common overarching themes within each level of analysis and microvariation within each theme.

Year 1 Findings

Interview participants emphasized the cognitive learning process in Year 1. They utilized phrases such as “I gained knowledge and understanding” or “I have an increased awareness” of leadership skills and nonprofit governance processes. Rarely did they speak of behavior change based on this new learning, though there were circumstances in which they did. This will be further detailed later in this section.

Interview participants reported increased self-efficacy in their skills and abilities as organizational leaders, which was the core outcome of the first year of the program. As Bandura (1982) defines it, self-efficacy is a personal belief of “how well one can execute courses of action required to deal with prospective situations” (p. 122). This increased self-efficacy in their leadership ability stemmed from the new knowledge and awareness they gained from the program. Seven of the eight executive directors and three board presidents reported that they felt more confident in their ability at the end of Year 1. For example, one executive director stated,

I feel more confident. I feel like the work that we do is vital and needed in providing spaces for community to alleviate hunger. I feel more confident in going out and asking people for support for what we do. Just in general, I feel more competent and more confident in the work that I’m doing.

The emphasis on self-efficacy highlights the more general finding that Year 1 facilitated cognitive learning. The cognitive stream of the organizational learning literature emphasizes internalized learning of organizational members about new belief systems and mental models they acquire based on knowledge learned.

The remainder of this section discusses the specific individual level effects of the first year of the program as perceived by the program participants. Three themes emerged from the data: distinguishing the role of executive directors and the board, understanding the importance of external relationships, and honing a strategic orientation as a leader.

Distinguishing Roles of Executive Directors and the Board

Both executive and board leaders cited increased role clarity as one of the main strengths of the program in Year 1. More specifically, five interviewees described the shared understanding that developed between executive directors and their board presidents. One board president stated,
It gave us more guidelines on what the ED could ask of the board . . . we did not know what those lines were, and I think it allowed us to better describe those lines of what the board should do versus what the ED [should do], and so, from that perspective, it has enriched our relationship more . . . because it allowed [the ED] to set the lines and push more stuff, and let [the ED] focus on the things [they] needed to do versus what the board should be doing.

Additionally, several executive directors and board chairs reported that the joint sessions, a key component of the program design, facilitated goal alignment between the executive and board leaders, allowing both parties to receive the same information, determine needs, and set goals as a team. One board president stated,

The best thing [about the program] is the facilitation of discussion [between the ED] and I, in my ability to support her and some of the internal work that needs to be done and helping with my knowledge base to also facilitate keeping the board focused.

Therefore, clarifying roles was shown to be helpful in focusing the separate efforts of each leader, while, as a whole, the leaders worked toward the goals and mission of the organization. Moreover, a number of interview participants also described how this role clarification was shared with other board members who did not participate in the program. One executive director stated,

It has been good for, at least for the board members who . . . were in attendance, with us really understanding their role better as an ambassador for the organization and the community. And that's translated itself out into the rest of the board through those conversations about elevator speeches and how we tell [the organization's] story.

Understanding the Importance of External Relationships

Light and Hubbard (2004) define external relationships as “an organization's interactions with the outside world, including issues related to organizational survival, such as collaboration with other organizations, fundraising and revenue generation” (p. 17). The majority of interview participants stated that they had an increased awareness of the need to develop and maintain external relationships. For some, developing external relationships meant better understanding the importance of engaging more directly in collaborative efforts. For example, one executive director described how her understanding of the broader nonprofit community expanded through participation in the program:

I think it opened my eyes to what else is out there, what other nonprofits are out there, and what they're doing, thus giving us more strategic partners, or more ideas of where – we want to grow, but we want to grow in an impactful way, and we don't want to be duplicating other services that are out there, so what this did, at least for me, is give me a better view of who are some of these nonprofits out there and what are they doing, and then, how can we work with them to continue to move this city forward and grow in the community and make it a better place?

Interview participants also described how the cohort design of the capacity building program created connections across service areas that could lead to future referrals, strategic partnerships or collaborations, and increased visibility in the community overall. By experiencing the program with nonprofit leaders in other nonprofit orga-
nizations, program participants were able to network with one another and discuss potential opportunities to collaborate in the future. One executive director described this benefit of the program:

I think the [Foundation] specifically made some of those connections for us with the people in the room but with that overarching purpose to be very vision driven. Our work is all about collaborating in the community, so that helped us kind of re-energize that focus.

Others viewed the importance of developing external relationships through the prism of building the reputation of the organization in the broader environment. These interview participants spoke of their desire to be “known as a service provider in the community.” Others described being known as an expert in their field. For example, one executive explained, “We’re starting to get invited now, which is really good . . . on a large scale, that we are seen as someone who should be sitting at the table, helping make policy; being able to talk to senators, and legislators.”

**Honoring a Strategic Orientation as a Leader**

In addition to understanding the importance of external relationships better, interview participants stated they learned to be a more strategic leader in the areas of strategic planning and board development. One requirement for being chosen for the program was the organization had an existing strategic plan. However, in many cases, the existing strategic plan reflected a work plan more than a plan focused on organizational strategy. A majority of interview participants stated that the emphasis on strategic planning in the program allowed them to develop a better strategic plan. For example, one executive director stated,

We actually for the first time . . . have a better strategic plan. In the past, the strategic plan was very detailed tasks that needed to be done. And so, through this process . . . we were able to have a strategic plan that is better for our organization, is more of the vision of what we’re doing.

In addition, the majority of program participants stated that they learned to be more strategic in regard to board development and to linking board development to the needs of the organization more effectively. For example, one organization discussed needing a legal expert on its board and strategically filling that position with someone with the desired skill set and an interest in the organization. Others described actions they had taken to strengthen their board. One board chair stated,

From a resilience standpoint, we’ve gone through a lot. We learned that . . . it’s ok to lose board members, and your board will be stronger by doing that. In the past, we’ve had board members that have been in the board that . . . really didn't do much. Well, in the last year and a half, I’ve asked a couple of board members to . . . put up or shut up, and a couple have put up and a couple have left, and we’re stronger because of that. So I think we’re all more resilient as a board, because the people that are there believe in it and understand roles better, and thus, [this] has made us a better board overall.

It is important to note that for both focal areas, strategic planning and board development, program participants described how they learned how to be more strategic and how they took action in their organization based on that learning (e.g., developed
a strategic plan). These findings are distinct from other findings in Year 1 that focus solely on increased understanding and knowledge about different areas of capacity building. It is unclear why “behavior change” occurred in these areas and not the others in Year 1. One potential explanation is that strategic planning was a particular focus of this program.

**Year 2 Findings**

In Year 2, interview participants emphasized how the increased self-efficacy they gained from Year 1 allowed them to initiate change in their organization. In other words, the findings from Year 2 suggest that there was evidence of behavior change of program participants based on the new knowledge gained in Year 1. Below are two representative quotes from two different participants reflecting on Year 2:

- “I think it really helped me gain confidence in my abilities as an ED... I feel like we made a lot of change. I really do and a lot of that came from the confidence I gained.”
- “So definitely I feel that in Year 2 we took the tools that we were presented and were able to use them.”

This section reports on the effects of the second year of the program on the participating individuals and their organizations as perceived by the program participants. Four themes emerged from the data including engaging staff, developing the executive–board relationship, strategic board development, and actively developing external relationships.

**Engaging Staff**

In Year 2, a majority of program participants described their ability to delegate, and to a lesser extent empower, staff to do the work of the organization. This was a notable distinction from Year 1. Although program participants reported increased levels of self-efficacy in Year 1, Year 2 findings point to leaders taking action in the organizational context, including delegating and empowering their staff. For example, one participant described how the program clarified her role as executive director and encouraged her to delegate certain duties to staff:

Well, probably some of the things that I learned at the leadership initiative encouraged me to broaden my scope in terms of staff. Because I realized there were a lot of things that I was doing as executive director, running to the post office, licking envelopes, probably were not executive director responsibilities. And so it encouraged me to focus on the things that the ED really needs to do in terms of doing development and organizational structure and mission driving. So that made me realize we needed to expand, that I couldn't do all of the things that I thought I could as we grow the organization.

Another executive director noted that her increased self-efficacy as a leader allowed for more assertive decision making at the individual level and for shared decision making with the staff:

I have more confidence that – when I make a decision, I'm not naturally somebody who says, “You're going to do it my way,” and when I had to do that, I don't [falter] as
much. But what it’s also doing, I think, [is giving me] the confidence to open up decision making, at least to some extent, with the staff.

A third executive director explicitly discussed knowledge transfer to staff as an important activity in Year 2:

With employees, I did realize that this capacity building that I learned, I need to transfer the succession plan to my senior staff. So, this year, we are—because of those trainings—we are putting six sessions to train, in terms of capacity building, our senior organizers. And also, senior organizers, now, are coming, attending some of the board meetings as well, so that changed . . . we delegate more and the senior [staff] delegate to the rest of the staff.

**Developing the Executive–Board Relationship**

In Year 1, program participants discussed that the clarification in roles and duties of executive directors and board was among the most beneficial aspects of the program. In Year 2, executive directors reported strengthening the relationship between themselves and their boards with shared accountability and an increase in trust. Program participants discussed the shared accountability that developed with the board. One executive director described shared accountability with the board:

I think that there is starting to be more accountability toward me, but also I think there is more accountability toward them, in terms of “let us not [have] too many commitments when we are smaller.” Let us be clear about . . . And be sure what we are doing or not. Also, we need capacity building. And also, they are more clear about the mission and vision of the center, but also decisions, having – being made more from them.

Additionally, several interview participants specifically discussed the development of trust, which allowed for an improved relationship between the board and executive director. One participant said,

That was one of the major things that came out of it. There's – the relationship with my board really improved . . . the trust between board members and the ED really increased so there wasn't a lot of – we weren't spending a lot of board time on what I do here in the office. We were spending it more on governance.

Another participant said,

I'd say I feel like the second year I had more trust with them about everything that we were doing. The affirmation that I'm an equal with my board and we're doing this together. It was a really important affirmation for me because it's easy for executive directors to think that their boards were [bosses].

As an extension of this discussion, a number of program participants also stated there was a greater focus on shared leadership between the executive director and the board. Often, they framed shared leadership in terms of having shared mental models about their respective roles, and as a result, they could more effectively lead the organization. One executive director described,

I'm able to focus on what I need to do day to day. I don't feel like there's a conversation we can't have . . . [Before] there was conversations that I felt like I didn't or shouldn't have because I'm the ED and it was board governance stuff. Where now I feel like be-
cause we’ve gone through some of these things together there’s conversations that we can have and I’m not telling them what to do, but it's more of like as a peer or a partner like “What do you think?” versus I’ve got this nervous knot in my stomach because I really want them to do this and I can’t tell them to do this.

**Strategic Board Recruitment**

Year 2 findings were consistent with Year 1 findings: Board recruitment became more strategic in an effort to respond to the needs of the organization. For example, similar to one organization in Year 1, one organization in Year 2 discussed the need for an IT professional on their board and strategically filled that position with someone with the desired skill set and an interest in the organization:

And when we went to a new computer system, so we all got laptops and we have a new phone system and we are doing cloud-based things now. So it was a complete change and I really just turned it over to the board member. And he was responsible for the training and he helped us decide what product to buy. And I felt completely comfortable realizing that when we brought him on that was the expectation, that we really need some help in the IT, and we're growing, and this is where we're going to need you to help. And he's been great at that.

In addition, other interview participants revealed that there is the understanding that board development is a process, that it involves the tools provided by the capacity building program and implementing processes such as board term limits. One executive director stated,

And this has been a process. I mean, when we first started the program in Year 1, we still had very much of a founders board. So we started the process of strategically planning, but we still had a few board members that were on who had been on previously. And so we were encouraged to enforce term limits and help them to move on and help us to gain new ones. So we just looked at – through our strategic plan looked at areas where we were weak or needed support. And that's how we've looked for our board members.

**Actively Developing External Relationships**

Interview participants in Year 1 emphasized the understanding of the importance of external relationships, whereas interview participants in Year 2 emphasized developing these relationships, which enhances their ability to affect the community they serve: “And I think we've really improved our connection here in this neighborhood, because this is a neighborhood of high needs. So we're working with a lot more [community members] than we were previously.”

Adding to the focus on partnerships, one executive director discussed the possibility of these partnerships allowing for more collaboration:

I think it is developing beneficial partnerships and a sharing of resources and more of a cooperative spirit than a competitive spirit. I have never really endorsed a competitive spirit in nonprofits. There are lots of groups that work in a similar need like we do, you know, reducing food inequities and providing employment skills. So I don't view other groups as a competitor. I view them as support.
In Year 2, almost all organizations reported reputation gains of their organizations as a result of participation in the program. Interview participants stated that they have been invited to discussion tables around a topic. One interview participant stated,

And so we’re being invited to participate in a lot of what I would say pilots and new things that they’re getting started. And we’re being asked to be on advisory boards and things like that. So, our input’s at the table. . . . And how we’re getting referrals and how we’re being able to serve more kids, so it’s been a lot through that.

Another executive director noted that the program empowered him to further develop as an organization that has a seat at the table with larger organizations:

I think really, the impact of the program in relation to being a community collaborator is just the empowerment that the program gave us and the resources to be a better organization so now that we can sit at the table with those other organizations that obviously have been around a lot longer or are maybe doing a lot more than we do, on a higher level.

**Discussion and Conclusion**

The purpose of this study was to (1) explore the individual level effects of a capacity building program and (2) examine the extent to which the individual level effects of the program have become incorporated into organizations through shared understanding, processes, and structures. In this section, a summary of the findings in the context of the existing capacity building and organizational learning literature is provided. This article concludes by considering the implications of these findings for future research and practice in the field of nonprofit capacity building.

Through collection of data at two points over 24 months, this study was able to assess learning over time. Consistent with the organizational learning literature, this study showed evidence of cognitive and behavioral learning. In Year 1, program participants emphasized cognitive learning and their increased level of self-efficacy. In Year 2, program participants described circumstances in which they took action within their organization based on the new knowledge gained from the capacity building program. For example, interview participants stated that they more effectively engaged staff, strategically recruited new board members, and actively developed collaborative relationships with other nonprofit organizations. These findings indicate that cognitive learning led to behavior change in the context of the organization, but it is unclear if the second year of the program was necessary for this change to take place. In other words, would this behavior change occur without the second year of the program, or did the second year of the program provide a layer of additional accountability that facilitated the behavior change for organizational leaders? Still, the findings from this study support the notion that the cognitive learning of individuals could lead to changes in organizational context.

Furthermore, the findings from this study suggest that learning occurred at all three levels—individual, group, and organizational—though learning at individual and group levels is most evident. The program design, which included the executive director and board presidents, facilitated individual and group level learning. In many circumstances, interview participants spoke of shared understanding and developing
shared mental models with one another as a result of being in the program together. For example, interview participants described shared accountability and trust that was developed as a result of participating in the program. This finding echoes the literature on knowledge transfer in organizations. Knowledge transfer refers to sharing new knowledge at the individual or group level. It occurs through interaction and dialogue (Huber, 1991). There is ample evidence of knowledge transfer in this study, including the participants sharing learning with staff and board members who did not participate in the program.

There is less evidence of new knowledge being codified in organizational processes and routines, though there are a few examples, including the development of a strategic plan and new board governance processes such as board term limits. However, most of the interview participants emphasized the individual and group level dynamics. This may be a function of the time it takes to codify new processes into organizations. Because data were collected over only 2 years, organizational level learning may not have had time to be fully realized.

**Implications for Research and Practice**

This article represents the first effort to leverage the organizational learning literature to gain a better understanding of how capacity building interventions targeting individuals affect organizational capacity. In doing so, it provides an analysis of the learning process and how this learning process facilitates organizational development. Because this study is based on one capacity building program, it is important for future research to explore other types of capacity building programs on different populations in organizations. The fact that the targeted population for the program was executive directors and board presidents may have made it easier to incorporate the learning into the organization. Studies examining other populations, for example, program managers and other middle management professionals, and the extent to which learning from capacity building programs is incorporated into organizational routines would allow the field to understand organizational learning dynamics better. Moreover, different types of capacity building interventions (training, technical assistance, capacity grants, etc.) may have different effects on organizational level learning.

This study also found limited evidence of the codification of new knowledge in the organization. Future research that examines the dynamics associated with institutionalizing new knowledge in nonprofits will help those in the nonprofit field better understand how capacity building efforts can be sustained in nonprofit organizations. Specifically, better understanding the interplay between the explicit knowledge ("know what") gained from capacity building programs and the tacit knowledge ("know how") in applying it effectively in specific contexts would help those in the nonprofit field to understand the institutionalization of knowledge in nonprofit organizations more fully.

This study also offers lessons for entities that design and implement nonprofit capacity building programs. First, on multiple occasions, participants described how aspects of the program design facilitated group level learning. Because executive directors and board presidents were included in the program, shared mental models could be formed much quicker than if only one organizational leader had participated. This suggests that designing programs that target the executive director and board leaders may be a helpful organizational development strategy. Second, the finding in Year 1 that
self-efficacy of leaders is an important intermediate outcome suggests that self-efficacy may be an important construct to measure in capacity building programs that target leadership development. By understanding how knowledge is transferred and integrated into nonprofit organizations, those who fund capacity building programs will be better equipped to design and implement effective programs.

References


