Challenges of Developing Organizational Capacity

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Abstract

Capacity construction is a huge problem. For several decades, technological collaboration and different modes of capacity building have attracted significant funds. Although a few countries have done well, in other ways, donor activities have generated nothing to demonstrate in terms of sustainable country ability.

Introduction

Organizations go through tough times of facing challenges and critical issues as well as fruitful times of producing profits and a renowned employer image. this is all possible when organizations duly participate in making their culture and environment comfortable for the employees. This is not as easy as it sounds but requires a lot of time, strategic planning, overcoming challenges and facing hurdles. As per clear definition Organizational Capacity is "The ability of an organization to fulfill its mission through a blend of sound management, strong governance and a persistent rededication to assessing and achieving results" (Author, 2003).

When it comes to keeping up a smooth organizational capacity that has the ability to face and overcome all the modern challenges, organizations are faced with a lot of tough time. The world today demands constant progress and quick changes to adapt with the fast pace of increasing competition. This ability of an organization to adapt the recent changes to its maximum benefit will determine how far and well an organization will reach in its goals of success and longevity. While considering the factors that most evidently affect the growth of an organization the major ones include, culture, communication and consistent ways of communicating. Most of the time organizational leader and strategy developer overlook the need of maintaining a stable organizational culture. Owing to the fact that productivity is the result of work environment, this is why most organizations fail because they only focus on their goals but not on the right path to achieve them (Kate Cox, 2018).

Now when it comes to organizational capacity for public and private sectors, the definition might differ from one another. With the root meaning being the same, in both sectors the duties vary slightly. When it comes to public sectors, organizational capacity is referred as the ability of the government to bring out positive changes with the help of controlling financial, human, physical and information resources. On the other hand, in non-profit sector, organizational capacity is

defined as the set of processes, management roles and attributes which help an organization in fulfilling its mission and goals (Kate Cox, 2018).

There are several ways to deal with and classify the activities that have a direct or an indirect effect on an organizational capacity. Owing to the main drivers of an organizational capacity, they can be classified into six main components: leadership, strategy, structure/governance, skills, human capital, and accountability. Each of them has a different and equally important role in organizational capacity.

- **Culture:** it is defined as the common practices, behaviors, environments, attitudes and beliefs practiced by an organization that directly or indirectly affect the environment thus employees.
- **Communication:** this refers to transmitting the ideas, mission and core values of an organization in an effective yet consistent manner to the employees.
- **Leadership:** Leadership refers to the skill of a person i.e. higher authority to motivate and direct employees towards achieving excellence and best interests of the company.
- **Strategy:** it includes the planning and systematic approach developed by on organization in order to fulfill its long term and short-term goals.
- **Structure:** defined as the role and responsibilities assigned and managed in the light of government rules and policies to decide how the policies will work and enable productivity.
- **Skills:** Refer to the 'right' combination of workers who can conduct dynamic tasks including concepts (cognitive skills), technology and data processing (technical skills) and/or individuals (interpersonal skills) in a professional and proactive manner.
- **Human Capital:** It covers the detection, screening, procurement and preparation of work candidates and the monitoring of termination and retention of employees, as well as the implementation of workplace benefit programs.
- **Accountability**: Relation is made to the need for a company to be responsible, both internally and externally, for its operations and finances, to take responsibility for them and to report the outcomes in a straightforward manner (Kate Cox, 2018).

Large organizations are continuously concerned about their productivity and progress in the industry. when it comes to multinational companies and organizations that are widely spread all

over the world, the management and assessment becomes difficult. Since as an organization expands its operation the cultural, religious and even social diversity increases thus the complexity of management also increases. This can be addressed by the use of specific helpful assessment tools which have been repeatedly developed and modified to undermine the organizational capacity, identity the challenges thus make corrective measures to recover from them.

Assessment of Organizational Capacity

Organizational assessment (OA) instruments, also known as Organizational Capacity Assessment Tools (OCATs), are developed to evaluate organizational capability and prepare organizational ability growth programs. Often, they are also used for tracking and evaluation (M&E) purposes. They are the most commonly used M&E method expressly built with capability creation in mind. when it comes to using on organizational assessment tools there are different ways in which they can be utilized to get the desired outcome. The first strategy is to identify how well an organization can perform when it comes to funds. Whether the organization will be a partner or a recipient of the funds. This helps in the identification of financial capacity of an organization. Secondly Organizational assessment tools can also be used to clearly identify the needs of an organization. Once they are known, organizations can bring about effective changes and plans to help achieve them. The third approach is to perform the operational appraisal at discrete intervals. So far as M&E is concerned, improvements in ratings will also be used to demonstrate how capability has improved within an enterprise. If required, these improvements can also be examined in order to determine whether or how often they are the result of a particular skill building operation (Intrac, 2017).

Even though there are several tools designed to assess the organizational capacity each one of them work around the same set of guidelines or more precisely a series of simple evaluation steps. These steps help in a systematic approach of identifying the problem, then bringing about clear and effective changes in the long and short term. The steps are proceeded as follows:

1. Capacity is divided into clear and discrete areas of interest. These discrete categories may be classified in more than several ways. A common practice is to divide them into 6 major portions as mentioned above. Each level refers to a different part of organizational

capacity thus decision making and solution implementation becomes a lot more hassle free.

2. To have a clear scale, a rating system is developed. The rating system can be developed as per the organization's system of guidelines. Usually a scale of 1 to 10 is adapted where 10 denoting the highest capacity. Each number from 1 to 10 is assigned an explanation for the performance ability.

3. A process is decided to use to rate the different areas of capacity. There are several different possible rating capability systems in different fields. For example, groups may seek to find a consensus, or they can rank themselves with a hand-held or plurality vote. And in some cases, surveys are also involved as well as feedback and assessment from various stakeholders.

4. After ratings are achieved, useful methods to summarize and analyze the gathered results are developed. This is where the changes are brought about. Once the data is collected authentically, strategy developers and analysts come in action to bring about the positive required changes (Intrac, 2017).

All these practices involving assessment and relevant changes work as a major deciding factor in evaluating the organizational reputation. This organizational reputation helps determine the position and popularity of an organization. It helps in acquiring the right talent and expertise, when people realize that an organization is dedicated to improve and improvise its practices while keeping the best interest of company and employee in the minds, talented people will automatically come towards the reputed firm. According to a research by (Reptrak, 2016), 40% of the company's performance is referred to the non-financial factors linked with the corporate reputation. These non-financial factors included recommendations from financial experts, social success (doing well with expert scores of CSR and sustainability), advertising attention and public expectations. When these intangibles are good, they raise market value. The market is full of examples when companies got ruined just because of their reputation was damaged. Once a name is drowned, no matter the finances or the number of employees hired by it referring to the large size, the organization is bound to doom. To quote a few; the famous US Wells Fargo Bank got a fair reduction of 20% in its bank share price within the period of two years, after the bank was found to create millions of fake customer accounts in order to earn incentive commissions. This also led to a loss of job for 5000 hourly employees. Similarly, Volkswagen suffered a drop

of 5% in its revenue during the early 2016 with a substantial decrease in the market share of Europe, due to its diesel emission scandal which worried the customers. The company also had to lay off its 30,000 employees following the financial crisis (Harrison, n.d.).

Improving Organizational Capacity

In an Organization, the Human Resources department is responsible to bring about the positive changes in the company. All decisions, concerns and suggestions and issues are funneled up to the human resource departments. This is why HR is considered as the driving force of the companies' policies and decision making. The HR department is solely responsible for creating HR practices as well as HR activities. HR practices is what determines the organizational capacity. In simpler terms, HR activities cover the administrative processes of HR. These shape the basis and guidelines for handling the staff of the organization which will be aligned with the Executive Business Plan. These practices can further be narrowed down into:

- Identifying the goals and stating the objectives of the HR department
- Planning, planning and administration of the HR Department
- Evaluate the impact of programs
- Designing strategies to enhance the quality of the work atmosphere Skill growth and professional leadership
- Execute motivational campaigns
- Collaborating with administration on regular performance reviews
- Monitoring workplace promotion opportunities (Perucci, 2018).

All these activities can be performed using several tools and practices. For an organization to have a positive employer branding image and an effective productivity, they need to be vigilant in addressing the needs and requirements for a strong organizational capacity. Improving organizational capacity to its optimum value can act as the major revolutionary force driving a company towards success. Some common ways to address organizational capacity are explained below:

Flexible Family Friendly Practices

It is a known fact that a person who feels appreciated will always do more than expected or assigned. This in turn is the birth of flexible family friendly practice in a work place. As the

name suggests both employer and employee need to understand their commitments, deadlines and criticality of the task but a major aspect is that the employee needs to feel trusted with the job rather than pressurized. In simpler terms, "Flexible employment is any agreement made by the boss and the employee to change their job schedule in location, time or duration" (Working, n.d.).

When it comes to provision of flexible family friendly practices employer practice them for various reasons. From the idea of providing ease the employee, to improve productivity, to ease them the pressure of dealing with rough times and conditions such as in cases of climatic issues or a pandemic or just because they identify that it is the right thing to do. Most of the time, excellent leaders understand the roles and responsibilities associated with each employee other than the office work, this encourages them to provide their hardworking employees an ease of mind. in other cases, the management staff might feel this opportunity to be exploited by employees, so they remove the idea od family friendly practices from the organization. Moreover, there are other factors than social and ethical issues which effect the allowance of family friendly practices:

- Organizational complexity, field and industry
- Task form and scheduling structure
- Enhanced technologies for homework / teleworking
- Presence of enablers / barriers for work-life harmony in a company
- Work culture (Baldauf, 2019).

Flexible Family working can be of several types and based on the size of organization the policy divisions and requirements may substantially vary. Some common types include:

- **Job Sharing:** A single job is divided amongst two employees such as shift timings
- **Working Remotely:** this refers to work from home or any other remote areas other than the office.
- **Part time:** allowing employees to work less than full time hours.
- **Compressed hours:** Working full time hours but over fewer days.

- **Phased retirement:** The mandatory retirement age has been phased out so older employees can choose when to retire. This ensures that they will their hours and work part time (Working, n.d.).

Effective Supervision

A successful leader is the one with an excellent supervision skill. An often-ignored fact is that a supervisor plays the most important role in determining the future of a company as well as the productivity of employees. As mentioned above one of the major challenges faced by a company which acts as a hinderance towards the organizational capacity is unclear communication and implementation of rules. Supervisors are responsible to tackle with these two challenges all times. Effective supervision involves addressing the respective concerns of the employees while pushing them to do better and more every single day. This is only achieved with the help of motivating and understanding stance rather than a tough one. This does not mean that a supervisor should be extremely resilient when it comes to company's affairs but he or she should be willing to communicate consistently as well as take recommendations and address issues of the sub-ordinates (M).

Supervisors are the members of a squad. They play a very critical part in the running of the organization. Their thought and behavior must be careful and controlled. They need to think in a systemic way. They are obligated to embrace the burden of seeing it work for the sake of the company. Supervisors need to get an understanding of the multiple influences at play in their areas of power, and from this insight, they need to grow an invaluable versatility. This helps them to do the right things at the right time with whatever situation they face (Satyendra, 2016).

Delivering Promises

Promises are what make an employee choose a company in the first place and the very same thing helps in determining the future of the employee in the company. This fulfillment of promises is only possible with an effective organizational capacity, as managers and planners work on creating strategies that will convert the promises into actions. Employees feel valued when a company is focusing on their well being rather than just vouching for productivity and profits. This also keeps the employees interested and feel appreciated for a longer period of time. More often than not companies fail because they experience a lot of hostility from employees

resulting from unkept promises and unvalued personal interests. Some of the vexing problems facing leaders — improperly executed policies, lack of corporate resilience, disengaged workers, and so on — are triggered by abandoned or badly designed commitments. Executives can solve any of their most difficult challenges in the near run and promote long-term efficient, stable workers by implementing what we call "promise-based management" (Spinosa, 2007).

Conclusion

Capacity growth is required to create and sustain the capacity of individuals, organizations and communities to handle their risks and unforeseen circumstances effectively on their own. It refers to a proactive approach and preventive measures with the help of tools and effective planning. Organizational capacity will determine the future of an organization. This needs not only preparation and specialist technical support, but also improving the capacity of communities and individuals to identify and mitigate risks in their localities. External platforms for policy consultation, collaboration and relationship growth for DRRs, such as the Global and Regional DRR Platforms, and related external and regional and national cooperation forums, have been influential in the implementation of policies and approaches and the promotion of expertise and shared learning. However, there are always challenges when focusing on creating ideas that will help an organization pass through the tough times. These challenges are easy to tackle when divided in discrete steps and each one handled separately. By concerted measures to enhance oversight and assessment, to ensure that projects are focused on the needs and leadership of local implementation entities, and to expand the availability of resources and solutions, the full value of capacity building can be properly understood and used. Capacity building should shift beyond being used simply as a mechanism to be recognized as important objective as well.

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