

More than the warp and the weft – growing the strength of the whole cloth
Margy-Jean Malcolm

NZCOSS Conference October 2006: Keynote address:

E nga mana

E nga reo

E nga hau e wha

E rau rangatira ma

Tena koutou, tena koutou, tena koutou katoa

Nga mihi nui ki a koe Conor me NZCOSS ranei mo to mahi it tenei hui. It's a privilege to join you at that this wonderful conference – the programme looks really exciting, the networking opportunities unlimited and Conor your organising work to get us all here superb. Personally you have provided an opportunity with the theme for me to bring together two of my greatest passions – working with the community sector and textiles.....and so I have enjoyed playing with the weaving metaphor in putting together this address....with thanks to Glenn Jowitt's wonderful photography in the Pacific Pattern book that has provided the visual images; colleagues and students on our Unitec Not for Profit Management programme and many other writers on this topic who have informed this address.

The conference theme challenges us to consider how we gather, shape and communicate information and knowledge. In this address I want to first of all look at what information, knowledge and wisdom are – using some definitions from Bruce Britton's work on the Learning NGO. I then want to gather up some of the strands of information and knowledge about the concept of capacity building and encourage us all to shape the debate about what an organisation and a sector with strong capacity looks likeand what roles can usefully be played by organisations like COSS, funders, trainers, mentors, consultants and others, to support strong capacity. *Overview slide*

Information is like the raw material that we bring for weaving the cloth – the facts, opinions, ideas of which knowledge is made.....the down to earth practical material of which local COSS newsletters provide in abundance! *Information slide*

Knowledge grows when we weave that raw material into a more systematically organised formthrough analysing, comparing, generalising, testing our assumptions to answer complex questions.....like what really makes for a strong community? or a strong community organisation? *Knowledge slide*

The knowledge may stay inside the head of the weaver ...which is all too common in our organisations which are then left rather vulnerable if the weaver leaves. Even when we write knowledge down in an organisation's records, it is not always that accessible to others. We gather our knowledge in a conference like this from the stories of what has worked and what has not, in each other's contexts – and that is a powerful way to communicate that knowledge for us all here. One of our challenges is how we keep sharing and growing our knowledge beyond the conference event – how does our individual learning feed organisational learning, local community learning across networks, across time.

Information may provide the raw materials for the warp and the weft of the cloth, and the weaver the knowledge of how to put it together into a fine mat..... **Wisdom** comes when we combine the raw materials, the insights of the weavers' knowledge with the fruits of our experience in a way that can usefully guide our actions. *Wisdom slide* The strength of the whole cloth comes in the wisdom of the choice of the colours, texture and type of fibres and the overall design for the particular purpose and context within which the whole cloth will be used. *Hats slides*

We discover new designs that have been adapted to a new context, that reflect thoughtful consideration of not only our knowledge of weaving but of the wider purpose and context for which it will be used. *Different hat slides* It involves considerable thought about the design for the end use, not simply the production skills of the weaver. In my experience of a good textile design process, it often involves multiple samples, experimenting with different approaches, reflecting on their suitability for the purpose, getting feedback from peers and respected mentors, letting go designs that didn't work, before I get to a design that I am satisfied with....action, reflection, action, reflection as we bring together knowledge and our own experience to inform further action.

What is capacity building?

So what are some of those hidden ingredients of the design process that builds our capacity to be weavers of vibrant communities? What wisdom can we gather from our experience about what capacity building is? What does an organisation with capacity look like?

To me, unpacking the concept of capacity building is like trying to understand the complexity of the textile design process. We see the end product and think wow, that's cool! *Third hat slide* I'd like to be able to do that.....I hoard all these raw materials of all these wonderful fabrics, wools, embroidery threads - the books, the newsletters, the how to guides, the computer programmes, the data that our organisations gather. I go off to learn more skills and knowledge in embroidery, quilting, dyeing fabrics, build networks with others who share my passionor you gather a wonderfully skilled team in your organisation or on your Board, create great information and communication systems. But there is more to the creative end product – its the design process that has to really understand the end user's context, and the careful use of my creativity

and past experience that is really going to make the difference between whether I have simply created a beautiful standalone product or something that has a meaningful purpose in a particular context.

Improving capacity has become a popular concept in recent times. The literature around the capacity building concept has come especially from the international development field and emerged out of the questioning of aid agencies about the failure of conventional aid programmes to achieve sustainable development. In Aotearoa NZ, many elements of what we might now call capacity building have been around for a long time in movements for Maori self-determination, community development, organisational development. But the actual term first found its way into central government policy language in 2000 with the Labour government's "Closing the Gaps" policy. In the tangata whenua, community and voluntary sector we have been using the concept as well, but we are not all working from a shared concept about what this concept is all about.....

Capacity building as information and knowledge sharing *slide*A report on Building Organisational Capacity in the Community and Voluntary sector published last year by OCVS and FACS researched the needs and opportunities with the sector. The findings highlighted a variety of areas of need for more written information resources and mechanisms for accessing support, advice and knowledge sharing. The focus of this project was on internal organisational systems and this reflects one common approach to capacity building. Within this approach capacity is defined as the ability of an organisation to effectively implement projects; run programmes; be accountable for finances; employ, train and develop staff effectively; develop plans, policies, procedures, manage risks, comply with the laws and regulations; establish effective governance and management.

Our attitude to investing in capacity *slide*

The report acknowledged the ambivalence of our sector towards introducing what could be perceived as a business approach into our organisation, but also the importance of organisational capacity for effective service delivery. As one person said to the researchers " We put everything we can into service delivery; therefore some of the systems are not as strong as they could be" .

Letts, Ryan and Grossman from Harvard University did some research comparing not for profit organisations with businesses. They found that managers in our sector are not any better or worse than the private sector, but that NFP managers have to manage upstream against a culture that suggests that we shouldn't put time, energy, let alone money on organisational capacity. Our not for profit sector starves organisational capacity – at least partly because of our strong culture of service. We are activists who draw our passion from the "real work" and are not too sure that we want to spend time on the "management stuff". This is further exacerbated by individual donors and institutional funders' focus on "service outputs" compared to resources spent on administration and management. We want a creative, effective hat but don't want to invest in the design process. And how often do you hear individual donors questioning whether they will give to an organisation or not depending on whether they think they spend " too much on administration" . In contrast, the private sector invests in organisational capacity because they

know it is essential for highly effective organisations. It is not useful to separate the service or the campaigning or the other “real work” that is the source of our passion from the organisational foundation that supports that work – both are essential parts of the whole cloth production.

Effective practice ...who defines? *slide*

We are currently experiencing a shift in some funders' thinking where capacity building is now more recognised as essential for effective performance. The MSD report was a good example of that. The next challenge is around who defines effective performance, or indeed what an organisation with capacity is? On the one hand we can start from the definition above and see community organisations as needing to become efficient and effective deliverers of services. We can see the capacity we might lack when we don't have the same systems, policies, procedures, structures, skills, and material resources as we might find in a business or government department....and plan our capacity building strategies around “closing” those gaps. Given how much we have starved organisational capacity for so long, we will find plenty of this kind of capacity building work to keep an army of consultants and trainers and policy manual writers employed for a very long time. And if we are not careful we will have benchmarked ourselves against the best practices of our funding government department or the local business who has enthusiastically joined our Board or sponsored our organisation.....and made our organisation in someone else's image...to their design that worked for their context but not necessarily for ours.

Capacity as viable social transformation vehicles *decorated bike slide*

Allan Kaplan from CDRA in South Africa provides us with an alternative perspective on capacity building, that defines organisational capacity not as our ability to deliver efficient and effective service, but as our ability to be viable “organs of civil society” , engaged in some form of social transformation. It's about our ability to organise **sustainably** and **effectively** in order to **achieve** our mission and make an impact on our vision. It's about our capacity to organise around our vision, not just how effectively we deliver a product or service. It's about our autonomy to decide that decorating bicycles is a better way to achieve our vision than making hats. *Organisational capacity as wisdom slide*

As such, our organisations must be “capable of sovereign status and direction, of strategising and innovating, of responding with flexibility and adaptability, of acting decisively to impact on, and change their circumstances and social context”. That implies quite a different kind of wisdom needed for strong capacity – more than information and knowledge on how to run an effective service – but wisdom about the community needs, the changing environment, what has worked in past social change efforts, who else is working for similar vision, what unique contribution our organisation can make, what collaborations, partnerships and networks we might need in our community, nationally, internationally.

Coral reef slide Kaplan explains the foundation of capacity is an organisation's understanding of the context it is working in, its attitudes and relationships with that context, its vision, strategies,

values and organisational culture. Community organisations are often already rich in these intangible aspects of capacity and these must be the strong foundation on which the tangible aspects of capacity are addressed. He is not denying the place of the structures, policies, skills, material resources that the first definition of capacity emphasises, but their shape, colour and texture is built on the wisdom of the foundation layers....and the wisdom that understands how the layers interrelate.

How do the services or the submissions we write or the networking activities we provide link with the difference we want to see in society? How do our structures, policies, organisational culture of how we do things around here, link with that change and serve that vision, role model the change we want to see in the world? Or are we doing what we have always done or what we can get a government contract for? Kaplan would argue that it is our deep understanding of our "conceptual framework", our "theory of change", why we do what we do because it links to that vision of the community and society we are wanting to build is the most fundamental layer of capacity.

Alongside this is wisdom is our understanding of the context we are working in – that intangible knowing about our communities, how it works, who are the movers and shakers; what is going in our professional field; the wider political, social, economic, technological and cultural context.that helps us know whether we need a bicycle or a hat production.

The third element of this foundation layer is our attitude. Do we see ourselves as victims or as resilient, resourceful social change agents? Do we sit back and moan about our lack of resources to switch to bicycle art when we know that is what is needed? Or do we find a way to make it happen using our wisdom, our networks, our resilience, our resourcefulness? Do we bring despair or hope? Is the glass half empty or half full? Do we see what capacity we have already got or the capacity we lack?

We often focus on the upper layers of Kaplan's model, the tangible layers and see where our "deficits" are, rather than seeing the intangible layers under the surface in which we are rich. The upper layers can often be resourced by simple information transfer – where to apply for funding – e.g. Funding Information Service. Skills and knowledge sharing help us with the next layers – e.g. going to a COSS forum or attending a training workshop or going onto CommunityNet Aotearoa website ...

But knowledge of how to write a policy for a government agency or a private business or even for another organisation in our sector is not necessarily wisdom for the community organisation you work for. A policy is an expression of an organisation's culture. Unless that policy and organisational culture is aligned with an understanding of the community context this organisation is working in, its vision, strategies and values, then the policy will be a meaningless piece of paper in a drawer waiting for the next service audit, or worse still, a point of tension undermining, not supporting the organisation's effectiveness in the community. A mat that

fulfilled a wonderful purpose in one context does not necessarily serve as well in another. The real wisdom comes from weaving the knowledge of the weaver and the context. So the foundation layers of Kaplan's pyramid are about how we apply knowledge with our own experience to create wisdom and real capacity for social transformation. Its about how we weave all the layers of his pyramid together into a fine whole cloth fit for the purpose, not simply the weaving of the warp and weft of each layer...

More than the warp and the weft slide The shift of focus from the first definition of organisational capacity to the second, is from being the weaver that knows how to make a great mat to having a team that knows what the mat is to be used for and together deciding how the design may need to adapt and change – when you need to be producers of the mat; when you need to marketers of the mat; when you need to research, communicate and protect core values about mat making traditions, when you need to make wise decisions about letting go past practices, to serve the needs of today and the next generation

Having always found Kaplan's model really useful, I enjoyed Jason Mika's Aotearoa perspective (*slide*) on these issues in writing about his experience in Maori capacity building initially within TPK and now within his own consulting firm IndigeCom. Jason talks about three different perspectives on capacity building – capacity building as a process; capacity building as a system and capacity building as self-determined development. Mika sees many of the issues Kaplan is talking about as part of the first dimension of capacity building as process - acquiring tangible and intangible elements which enable performance and achievement of objectives. He reminds us that there are multiple layers to capacity building as a system - individuals, organisations, sectors in a wider environment all interlinked. We would say in our NFP management programme that while we are working on training individuals we are consciously aiming to impact their organisations and the wider sector through the practical ways we have designed the programme. Thirdly he talks about capacity building as a pre-condition for self-determined development - strengthening governance, building capacity for strong strategic planning, strengthening cultural cohesion, securing sustainable, self-determined ownership arrangements, resource rights, strong rangitiratanga.

Are we the artists or are we technicians designing to the funder's brief? *Slide*

A strong underlying theme for me is that capacity building is something we need to engage in as the primary drivers – driven by our not knowing all the answers, searching for wisdom beyond raw information and knowledge, knowing that our designs will need to keep adapting but knowing what our mission and vision is – allowing ourselves to be artists with our own creative intent, not always designing to the funder's brief. What matters most is that we find ongoing space for thinking and reflection – within organisations, between our organisations, between sectors – to keep learning and developing responses to the complex world we are working in. Being participants in our own learning is primary – outside experts may be useful but only if they are helping build our abilities to analyse our organisational challenges and develop effective processes to monitor, assess, respond and adapt...those are the key creative competencies we need to be artists not technicians.

Principles for achieving effective capacity building? *Slide*

So what have we learned about underlying principles for achieving effective capacity building? Reviewing overseas, NZ literature and our own experience over ten years of 10 years of growing Unitec's Graduate Diploma in NFP Management, there are some strong themes:

- *An empowerment approach* – organisation as primary driver of its own learning, its own assessment of its own state of health and designing its own wellbeing strategies, compared to an outside expert or funder making the diagnosis and the prescription for us. Their advice and resources may well be useful but only if they empower the organisation get well and know how to stay well themselves. The role of any “outsider” involved is to hand over power, knowledge, confidence and skills, not promote dependency. The same applies even within our organisations – strengthening capacity is a participatory learning process.
- The importance of *contextual understanding* – how do we see ourselves and our sector? Are we simply the shadow state delivering services that government doesn't want to and businesses can't make a profit from? Or do we have a wider role in social transformation, building social capital, influencing community attitudes, behaviour and government policy, achieving rangatiratanga? Do we understand our own unique history, culture, assets that can be drawn on for capacity building? Whatever your worldview of the role of this sector in society, and the worldview of whoever assists you in that task, will affect the outcome.
- *Organisations as complex systems* and one size does not fit all. We need the patience and insight to understand how the parts relate to the whole; the critical thinking abilities to consider more than one option; to weigh up what would work best in our organisation's context and culture; to consider how changing one aspect of how we do things around here might impact on the whole. It's a cumulative, long term iterative process of uncovering and solving problems, not just a one off technical fix.
- Therefore the central competencies we need are *analytical and adaptive skills* and processes to monitor, assess, respond and adapt. The courage to question our own assumptions, the creativity to think outside the square; the humility to live with our not knowing all the answers and the resilience to stick with the journey through all the challenges and the wisdom to pause and celebrate the successes along the way.
- To use these competencies effectively we need to *create spaces for reflecting, thinking time together* for our ongoing learning, questioning, planning and deciding. That's a real challenge in our busy organisations with a strong activist focus on the doing and

achieving. Exposure to other perspectives is important not just at an individual organisation level but between organisations, as we are doing at this conference.

- *Blended solutions* that combine training, coaching, consulting, peer exchange have been shown to be most effective and *create multiple levels of impact*. The wider systems each individual, team, organisation, sector is part of, have the potential to create synergies and multiply impacts. For example in our programme, one central purpose is for individuals to gain a relevant qualification in management for work in our sector. We however want to impact their organisation as well, so each assignment has to focus on improving some aspect of their organisation or professional skills. We see a significant difference in that organisational impact when more than one person from the organisation is exposed to our programme as this strengthens the engagement of the organisation's leadership team in the change process. Networks are strengthened across the sector through the groups of students who come together in each course, the tutors and guest speakers who join us, the peer mentoring that is achieved. These impacts are reinforced when some of our tutors act as consultants to these and other organisations and bring the same conceptual framework and principles. And when we work in partnership with local organisations like COSSes, Volunteer Centres, Social Services Waikato, they in turn encourage people to join our learning community and in their own work add different forms of support for capacity building.So we need a multi-pronged approach to capacity building strategies.

Where and how should funders invest in capacity building? Slide

So what do these principles suggest about how we might approach the current situation where funders both from government and the philanthropic sector are investing more in capacity building. Some of the potential strategies might be:

- *Just give us a realistic amount of money for our programmes and operations* Given the climate of partial funding for services it is tempting to suggest that adequately funding the currently contracted service outputs would enable more appropriate investment in organisational capacity. While this would certainly go some way towards providing the necessary financial resources, its limitations could be that the focus is on building capacity to deliver the funded service not the whole organisation.
- *Resource us to choose what the market has to offer*. This enables the organisation to either do organisational capacity building work themselves or hire the consultants they need. While this creates choice in organisational decisionmaking it does not necessarily create the supply of a pool of independent contractors with sector-specific knowledge. It may be used by the funder and the organisation to focus on a specific grant for a specific technical service required at one point in time.

- *Fund organisations from our sector to help us in our geographic area or within our specialist area.* This could involve better resourcing existing or new organisations for particular roles, e.g.
 - management support organisations like Social Services Waikato.
 - national organisations like NZCOSS and their local members, NZFVVO
 - specialist organisations like Volunteer Centres, Community Law Centres

This has the advantage of building up sector-specific knowledge and expertise over time. It relies on these organisations being responsive to the sector's needs and innovative in their services.

- *Fund educators and research to support us* This enables increased knowledge at a sector level, not only for individuals and organisations, and can broaden the focus beyond immediate identified needs. It needs conscious processes however to make learning opportunities and research widely accessible, and to support these impacting back on organisational learning.
- *Funder advise us themselves.* This runs the risk of being focused on the funder's interests in effective service delivery, however carefully the funder tries not to be controlling. It also poses challenges for the organisation in being open about its weaknesses and learning from them when future funding decisions may be affected or perceived to be affected.

Three areas for action *Slide*

Currently we have all of these strategies operating or encouraged and all have their place – their advantages and disadvantages. I would suggest that we could be making greater impact with the scarce resources we have by:

First and foremost getting the networks of capacity builders and funders of capacity building talking about a *conscious strategy* – doing our own reflecting on our learning from the last 5 or 10 years about what has worked well and where we can maximise the synergies between the different levels of engagement – between those developing publications, those signposting people to existing resources; those researching to develop models and tools relevant for NFP organisations; those delivering education and training; those enabling peer exchanges/learning networks and forums; those working with the sector as independent contractors; those funding and developing government policy around this work

Secondly, I believe we need to make some strategic decisions to *build collective interventions tailored to the needs of our sector* rather than assuming the market will offer these appropriately. The market has not delivered well as yet, nor have the existing mechanisms for resourcing your organisations or mine. This concept of capacity building is larger than service outputs for you; more than being a training provider for us. We need collective initiatives that build a body of sector and NFP organisation specific wisdom that is cumulative over time, not just one off workshops, research or technical support on one issue, building competence and comprehensive expertise that is relevant to our sector. This conference is an important space for strengthen our understanding of the vision, the part we can each impact from where we operate, how we can collaborate more effectively; claiming and addressing our own Aotearoa, sector-driven vision of capacity building.

Thirdly I believe we need to get better at *sharing the learning* from our research, from our practice, to grow our collective wisdom. Conferences like this, courses on our programme, COSS network meetings, the social audits we do on our organisation's work are all full of our information, knowledge and wisdom, and the buzzy energy that goes with that. But we leave these forums and where can we or others who have not had the privilege of being here access this learning – not just now but in years to come? Hopefully we will find some what is shared here on the NZCOSS website, but where do we pull together across the breadth of our sector, the learning over time?

Some of us have been involved in work over the last two years on a Centre of Excellence for Tangata Whenua, Community and Voluntary Sector Research. Last week marked an important milestone when we welcomed Robyn Kamira as our project manager for our first initiative: a research clearing house. This will be a website to enable people to access research in, for, by and about the tangata whenua, community and voluntary sector. We aim to disseminate research, connect researchers and the beneficiaries of research. The research will have local, national and international flavours and will be used by all sorts of researchers who want to share knowledge and other resources and promote collaboration. It's an initiative to help us do better at exhibiting our work and our wisdom to others – for the sake of a stronger sector and the sector's profile with others *Insert picture page 55*

We hope too that the clearing house in some small way may help address the problem of over-research of our communities. We are working on working a draft code of practice for wide consultation around how research can be done with us that will be an integral part of the project and set the terms of engagement for researchers using this site. We aim to provide a living resource for future generations to build on and learn from – for the current generation to link better with each other across geography, issues, themesand grow a distinctive Aotearoa understanding of tangata whenua, community and voluntary sector context. Beyond disseminating what exists the centre of excellence is about growing the body of sector research as well. The Johns Hopkins project is an exciting example of what can happen when we get clear about a research agenda and resource it. We need to resource more reflecting, thinking and knowledge building spaces for our sector and academics to work together. For at the end of the day its our capacity to act, reflect, think and apply the learning that creates wisdom.....not just action alone!

NZCOSS and its members have an enormous potential resource as capacity builders within the sector – working in partnership with trainers, consultants, funders – to create strong learning networks; where participants think critically before transferring knowledge from one context to another; where outside experts and funders trust and respect the wisdom already within our organisations/sector and walk some of the journey with us to learn together how to make our communities even stronger.

Basket slide No reira, Nau te rourou, naku te rourou, ka or ate manuhiri

With your basket and our basket, there will be plenty of food for the guests, plenty of wisdom for our community work

References

- Britton, Bruce (1998) "The Learning NGO" Edinburgh
- Ebrahim, Alnoor (2003) Building Analytical and Adaptive Capacity: Lessons from Northern and Southern NGOs Paper presented to ARNOVA conference, Denver, Colorado November 20-22 2003
- Kaplan, Allan. (1999) "Organisational Capacity: A Different Perspective" in The Development of Capacity pp 30- 56. Geneva: UN Non-Governmental Liaison Service
- Kuchler. Susanne and Were, Graeme; with photography by Glenn Jowitt Pacific Pattern Thames and Hudson 2005
- Letts, Ryan & Grossman 1999; High Performance Non Profit Organisations, Managing Upstream for Greater Impact; John Wiley and Sons
- Mika, Jason (2003) "Maori Capacity Building: Shifting the Policy Settings towards Maori independence" in Public Sector, 26 (1): 13-18
- Nowland-Foreman, Garth et al, 2006 [Investing in Capacity](#)
- A Review of Arts Waikato and Social Services Waikato for Trust Waikato