

ORGANISATIONAL ASSESSMENT TOOLS

Organisational assessment (OA) tools are designed to assess organisational capacity, and plan capacity development initiatives. Sometimes they are used for monitoring and evaluation (M&E) purposes as well. There are two main ways of using OA tools for M&E. One is to develop an action plan based on the OA, and monitor it over time. The other is to repeat the OA at a later date to assess what has changed, and why.

Ideally, an organisational assessment should be carried out before any kind of organisational capacity development intervention. This can be a very simple and informal exercise, perhaps involving a few straightforward questions, or a SWOT (strengths, weaknesses, opportunities, threats) analysis. However, in some cases more formal tools are used.

Organisational assessment (OA) tools, also known as organisational capacity assessment tools (OCATs), are designed to assess organisational capacity and plan organisational capacity development initiatives. Sometimes they are used for monitoring and evaluation (M&E) purposes as well. They are the only M&E tool in widespread use designed specifically with capacity development in mind.

Different Terms

Within the field of capacity development, many terms are applied inconsistently. The following definitions are used within this paper, based on Simister and Smith (2010).

Capacity is 'the ability of people, organisations and society as a whole to manage their affairs successfully' (OECD 2006, p8).

Capability is a term that is sometimes used interchangeably with capacity. However, some organisations apply the terms slightly differently.

Organisational capacity can be defined as 'the capability of an organisation to achieve effectively what it sets out to do' (Fowler et. al. 1995, p4).

Capacity development is a deliberate process whereby people, organisations or society as a whole create, strengthen and maintain capacity over time.

Capacity building is more often understood as a purposeful, external intervention to strengthen capacity over time.

Organisational assessment tools tend to be used in three different ways. The first is to assess the capacity of an organisation to act as a partner or recipient of funds. In these cases the OA tool tends to focus on areas of capacity that are of interest to the donor agency, such as financial management or project cycle management. This way of using an OA tool has little to do with M&E.

Secondly, organisational assessments can be used to identify the needs of an organisation. Once these have been identified, an action plan to bring about capacity change can be designed. The plan may have associated objectives and indicators – perhaps in a logical framework or similar results framework – which can then be monitored over time.

The third way is to repeat the organisational assessment at discrete intervals. As far as M&E is concerned, changes in scores can then be used to show how capacity has changed within an organisation. If necessary, these changes can also be investigated to assess whether or how far they are the result of a particular capacity building intervention.

Different types of OA tools

There are many different types of OA tools available, designed for different purposes and situations. However, most of these tools have been designed according to a similar pattern.

STEP 1: Capacity is divided into discrete areas.

STEP 2: A rating system is developed.

STEP 3: A process for rating the different areas of capacity is agreed.

STEP 4: Methods for summarising and analysing results are developed.

STEP ONE

Firstly, **capacity is divided into discrete areas**. These may include areas such as internal management, relational management, ability to carry out core functions, human resources, etc. The different areas are often

I. ASPIRATIONS	1 Clear need for increased capacity	2 Basic level of capacity in place	3 Moderate level of capacity in place	4 High level of capacity in place
Mission	No written mission or limited expression of the organization's reason for existence; lacks clarity or specificity; either held by very few in organization or rarely referred to	Some expression of organization's reason for existence that reflects its values and purpose, but may lack clarity; held by only a few; lacks broad agreement or rarely referred to	Clear expression of organization's reason for existence which reflects its values and purpose; held by many within organization and often referred to	Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose; broadly held within organization and frequently referred to
Vision – clarity	Little shared understanding of what organization aspires to become or achieve beyond the stated mission	Somewhat clear or specific understanding of what organization aspires to become or achieve; lacks specificity or clarity; held by only a few; or "on the wall," but rarely used to direct actions or set priorities	Clear and specific understanding of what organization aspires to become or achieve; held by many within the organization and often used to direct actions and set priorities	Clear, specific, and compelling understanding of what organization aspires to become or achieve; broadly held within organization and consistently used to direct actions and set priorities

further broken down into more detailed statements (sometimes called indicators), each addressing a different aspect of capacity. In some tools the areas, statements or indicators are pre-set (such as in the example above). In others there is flexibility for different areas to be defined by the staff working within an organisation, which helps to make the whole exercise more participatory.

STEP FOUR

The value of many OA tools lies in the discussion and analysis process, and they are considered worthwhile simply to help people critically **analyse and reflect on internal capacity**. In most cases the resulting analyses are also

used for other purposes. For example, an action plan might be developed to address weaknesses, or build on strengths. In some cases the organisational assessment is repeated at regular intervals, and changes examined to show what has changed, how and why. In many cases, a graphical presentation of capacity is also developed to help with the process of analysis. An example of this is shown below.

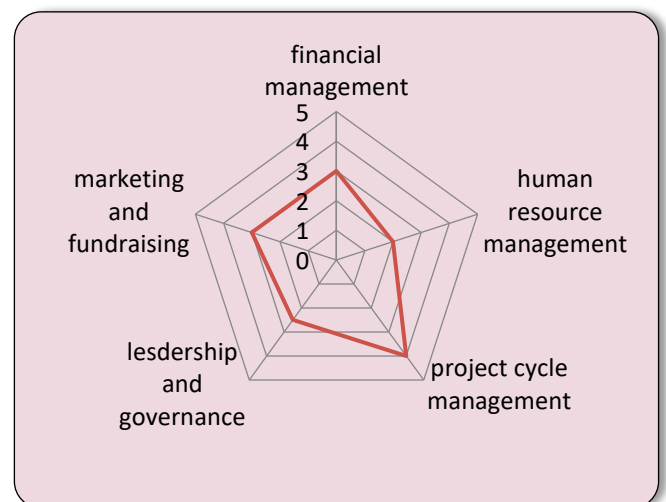
STEP TWO

Next, a simple **rating system is developed** to identify the capacity of an organisation against each of the different areas (or indicators). A rating system might involve a sliding scale such as a scale of 1 to 10, where '10'

denotes the highest capacity and '1' the lowest. The more common alternative is to use a set of pre-defined ranks or grades such as:

- A-an area of work needing much improvement
- B-an area of work needing some improvement
- C-an area of work needing no improvement

Some OA tools include individual, pre-defined statements for ranking each area or indicator. For example, the table above shows two areas of capacity defined in a tool developed and used by McKinsey (Venture Philanthropy Partners, u.d.). Each area of capacity contains a number of pre-defined, escalating statements. Organisations using this tool are expected to state which statement most reflects their capacity in each area.



Scorecards

Some use the term **scorecards** to describe OA tools that are narrower than the holistic tools used to assess entire organisations. But the principles are the same – divide work into discrete areas, rate capacity, and act on the findings – and in many cases there is little difference. In general, scorecards are designed to work across a narrower subset of capacity areas.

STEP THREE

There are many different potential processes for **rating capacity** in different areas. For example, organisations can attempt to reach consensus, or can rate themselves using a show of hands or majority voting.

Sometimes surveys are used. Where external stakeholders are involved, a key decision is whether the rating should be done exclusively by the supported organisations (self-evaluation), or whether wider stakeholders should also have some input.

Scorecard Area: Capacity (and commitment) to work with and for the poorest women, men, girls and boys

Low capacity	1	2	3	4	5	High capacity
<ul style="list-style-type: none"> The organisation does not consult the people it claims to work with The organisation has very minimal understanding of the different social groups and social structures The organisation does not identify the different priorities determined by different groups of poor women, men, girls and boys Poor, very poor and the poorest people have no role in evaluating the organisation's work in the community 						<ul style="list-style-type: none"> The organisation consults regularly with the people it claims to work with – particularly with the poorest or those hardest to reach. The organisation has good understanding of the different social groups and social structures The organisation includes poor or hard to reach people on its board. The organisation adjusts its priorities, spending and staffing based on feedback from the poorest girls and boys, women and men The poorest people have a role in evaluating the organisation's work in the community
Score (Please mark one box only)						

For example, in programme of Civil Society Support in Ethiopia (CSSP) INTRAC administered a set of scorecards to be used by a range of different Ethiopian CSOs. The scorecards covered the main areas in which CSSP was providing support: including financial management, leadership and governance, project cycle management and engagement with core constituencies. One of the scorecards is shown above.

Strengths and weaknesses of OA tools used for M&E purposes

In the context of M&E, OA tools have many strengths (see Simister and James, 2016). They ensure that capacity development is formally monitored and evaluated. They provide a rolling baseline so that progress can be assessed over time. They focus on the outcomes of capacity development work, not just the outputs. And when used in association with numerical ratings they enable results to be aggregated and summarised across different organisations, sectors and countries.

The most obvious weakness is that organisational ratings can be subjective, based on the perceptions of different stakeholders. For example, a lower rating does not always indicate low capacity – it might mean that an organisation is more aware of its limitations than another organisation that rates itself more highly. On the other hand, a higher rating may be the result of over-confidence in an organisation's capacities, or a desire not to offend internal staff or capacity building providers.

Another limitation of some OA tools is that they only show if capacity is changing or not. They do not necessarily show if or how those capacity changes have affected an organisation's target beneficiaries. And they do not necessarily show how or why capacity changes have occurred. Organisations wishing to investigate these areas therefore need to supplement the OA tools with additional information, or use alternative methods.

Research carried out by INTRAC over many years has concluded that the value of OA tools (for M&E) is heavily

dependent on how and why they are used. There are some basic principles that need to be applied if tools are to be used successfully. Three of these are described below.

- There needs to be agreement and understanding about the purpose of any organisational assessment, and how results will be used. For example, if the staff of an organisation think an organisational assessment will be used to make funding decisions, this might encourage biased data collection and analysis, and possibly staff insecurity as well. Indeed, many argue that unless the whole process is owned by the organisation being supported, there is a danger that the process of organisational assessment will degenerate into a lifeless technical exercise, which fails to capture reality (Barefoot Collective 2009).
- Critically, OA tools usually work best when there is effective facilitation by an experienced facilitator. Whilst self-evaluation by supported organisations may seem to be the ideal, it often results in over-estimation of capacity, or sometimes overstating of the progress made by an organisation. A skilled and effective facilitator can help to avoid unrealistic assessments of change. This is because they are usually aware of the situation in other, similar organisations, and can therefore draw comparisons. A skilled facilitator may also be necessary to soothe over any tensions that might emerge from the process of assessment.
- Another important issue is to ensure joint analysis of findings between the different stakeholders involved. Whether or not an external facilitator is involved, the value of many OA tools is derived from the discussion and analysis that is involved, not from the results themselves. If OA tools are only applied by external agencies for their own purposes it is unlikely that any results will be of much value.

In summary, many organisations are attracted to OA tools because of their capacity for generating statistical measures of progress. However, whilst it is easy to generate numerical information from the repeat application of OA tools, that numerical information is not always meaningful.

Debates around OA tools

Perhaps the biggest concern over the use of OA tools is that they encourage a blueprint approach. This means that CSOs based in the South are expected to conform to the standards of an idealised, Northern, non-governmental organisation. Some organisations have been deeply critical of the practice of CSOs in the South “... *being assessed against templates, checklists and models of a ‘best-practice’ organisation developed in the North and having their capacity built accordingly*” (Barefoot Collective 2009, p14).

In INTRAC’s experience there is a big difference between OA tools that concentrate on organisational structures, and those designed more around functionality. An OA tool based around structure usually assesses an organisation against pre-defined criteria that involve assumptions about what a ‘good’ organisation should look like. For example, a CSO may be rated more highly if it has a strategic plan or a set of core indicators, or regularly undertakes external evaluation.

On the other hand an OA tool based around functionality often tries to assess whether an organisation can plan effectively, or carry out effective M&E, without making assumptions about how this might be achieved. These OA tools may be based on the assumption that all organisations need to plan, exist, adapt, and serve their core missions, but the way in which they do so may vary widely from organisation to organisation.

Perhaps the best-known model used to develop OA tools at present is the Five Capabilities model, designed through the European Centre for Development Policy Management (ECDPM) project. This has become very popular with Northern European donors and NGOs. It identifies five core capabilities which, it is argued, if developed and integrated successfully, will contribute to the overall capacity of an organisation. The model of five capabilities is designed to provide a basis for assessing the capacity of an organisation

and tracking it over time. The capabilities are (see Engel et al. 2007):

- to deliver results;
- to relate;
- to act and commit;
- to adapt and self-renew; and
- to achieve coherence.

This model can theoretically be applied by a wide range of organisations stretching from large, International NGOs through to CSOs that exist for just a few weeks every year around a specific event. It therefore helps to remove some of the problems associated with a blueprint approach to organisational assessment.

Summary

Over the past two decades, a great deal of effort has gone into the capacity development of Southern CSOs. Change in capacity is not easy to assess, and OA tools are currently the most widespread and effective tools for doing so. However, there are many challenges associated with the use of OA tools.

INTRAC’s view is that an OA tool often provides a framework within which capacity can be assessed and changes identified over time. But the way in which an OA tool is applied is critical. If supported by effective and experienced facilitators, with clearly stated purposes, using a process ‘owned’ by the supporting organisations, OA tools can be extremely useful, both for those carrying out the capacity building and the supported organisation as well. But if there is poor facilitation, if the purpose is unclear, or if the process is not owned by the organisation concerned, there is a very good chance that, at best, results will be misleading, and, at worst, the capacity development process itself may be undermined.

Further reading and resources

Separate papers in the M&E Universe deal with the M&E of capacity building and the M&E of partnership. These will be available in 2020.



M&E of capacity strengthening



M&E of partnerships

This paper is heavily based on a paper written by Simister and Smith in 2010 (see reference below) which covers many further aspects of the M&E of capacity building, and is available from the INTRAC website at <https://www.intrac.org/resources/praxis-paper-23-monitoring-evaluating-capacity-building-really-difficult>.

The 5-capabilities model described in this paper was developed out of the European Centre for Development Policy Management (ECDPM) project. Reports from that project can be retrieved from the website at ecdpm.org.

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INTRAC is a not-for-profit organisation that builds the skills and knowledge of civil society organisations to be more effective in addressing poverty and inequality. Since 1992 INTRAC has provided specialist support in monitoring and evaluation, working with people to develop their own M&E approaches and tools, based on their needs. We encourage appropriate and practical M&E, based on understanding what works in different contexts.

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