

Four Core Capacities



There are four key capacities every nonprofit needs in order to manage and deliver high quality services. These Core Capacities are based on the research of TCC group to identify what contributes most to nonprofit effectiveness.

Leadership Capacity

Ask yourself: for the organization you are working with, how strong is your leadership, including paid staff and volunteer Board? **Leadership Capacity** is the ability of organizational leaders to inspire, prioritize, make decisions, provide direction, and innovate – all in an effort to achieve the organization’s mission.

Key elements of **Leadership Capacity** include

- Vision
- Internal Leadership
- Influence
- Board Leadership
- Leadership Sustainability

Internal **Leadership Capacity** includes:

- Organizational leaders frequently communicating the value of each individual staff member.
- Motivating staff
- Staff being able to clearly articulate the mission, vision and organizational goals
- Strong working relationship between the board and staff
- Grounding all decisionmaking in the mission and vision of the organization,
- including fundraising decisions
- Willingness to make changes
- Willingness to seek help
- Involving staff in decisionmaking

At the board level, **Leadership Capacity** includes:

- Holding organizational leaders accountable for mission-focused progress
- Showing up and following through
- Clear understanding of organizational programs
- Clear understanding of the environmental context in which the organization works
- Ability to clearly communicate mission, vision and goals
- Engaging the community to invest in the organization
- Reaching out and inspiring the community
- Being passionate about the mission
- Addressing and eliminating financial management problems
- Fulfilling governance responsibilities

When thinking about **Leadership Capacity** in terms of the Board-to-Executive Director relationship, it can mean:

- Frequent interaction between board members and staff leaders
- Strong working relationship between senior staff leaders and all board members
- Shared understanding of the mission, vision, goals and strategies
- Trust

Adaptive Capacity

Ask yourself: are you a learning organization? Are your organization's leaders taking decisive action based on solid information? Are they staying attuned to change within and outside the organization? **Adaptive Capacity** is the ability of a nonprofit organization to monitor, assess, and respond to internal and external changes. In broader terms, this really means learning as you go and adapting to change. Research shows that leadership and learning are the two most important factors in determining longterm sustainability.

Qualities of strong adaptive capacity include

- Having & Using Good Decision-Making Tools
- Learning About Your:
 - Programs
 - Organization
 - Environment
- Having Resources That Are:
 - Sustainable
 - Adaptable/Flexible

Management Capacity

Ask yourself: is your organization being managed in a way that helps it grow and "go to scale," meaning work at its optimum size and scope. **Management Capacity** is the ability of a nonprofit organization to ensure the effective and efficient use of organizational resources. The translation? Having the systems, routines, practices and procedures that enable you to be efficient and cost-effective.

Key Elements of **Management Capacity** include:

- Staff Performance: Clear Expectations, Good Performance Reviews, Regular Staff Development
- Managing Staff & Volunteers
- Matching Staff With Programs
- Communicating & Solving Problems
- Conveying Unique Value of Staff
- Providing Staff With the Resources they Need
- Managing Finances

Operational Capacity

Ask yourself: does your organization have the resources, systems and skills needed to deliver its programs? Operational Capacity is the ability of a nonprofit organization to implement key organizational and programmatic functions. Simply put, it's the having the right people, skills, space and stuff.

This includes:

- Technology and technology skills
- Service Delivery
- Program Evaluation
- Appropriate Facilities and Facility management skills
- Outreach
- Marketing
- Legal
- Fundraising
- Financial Management

Organizational Culture

How well are you working together at your organization? All the best laid plans may never be realized unless you have a positive environment in which to carry out your mission. We all know groups that have a positive culture and what a difference that makes in terms of effectiveness. Staff members like their work; board members enjoy their positions; program participants feel valued. We also know groups that don't have a positive culture. It's important to pay attention and improve our organization's culture.

There are three key qualities of positive organizational culture:

Empowering

- Leaders often share “success stories” individual, team and organization with staff
- Leaders reward staff for success, and not just with words
- Staff are afforded time to share success stories with one another
- Organizational leaders encourage and empower staff to pursue learning opportunities (formal & informal)

Unifying

- Staff feel “included,” not isolated as individuals and/or within subgroups
- A sense of “fairness” with respect to power sharing pervades the organization
- A high amount and quality of communication across all individuals, groups and roles of staff
- Leadership, board members, and staff resolve conflicts in a way that strengthens relationships
- Problems are communicated in a timely and construction fashion (top-down and bottom-up)

ReEnergizing

- Regularly scheduled social events are held where people get to learn about one another outside of the work context
- Spending time providing “real” examples of clients success; reminding staff that they are making progress toward their mission
- Formally established times for staff reflection on how they contribute to achieving the organization's vision