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Capacity-Building Catalysts: A Qualitative Assessment of Nonprofit Capacity Building by Community Foundations in Illinois

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Introduction

Capacity building is not a new phenomenon. Its roots trace back at least to the 1950s, when the focus was placed on institution building and international community development in rural communities (Smillie, 2001). Capacity building received ample attention during the last half of the 20th century through a variety of lenses, including private-sector business (e.g., Ulin, 1955), community development (e.g., Simpson, Wood, & Daws, 2003), rural development (e.g., Brown, 1980), and public management (e.g., Burgess, 1975).[1] During the 1990s capacity building gained substantial traction in the nonprofit sector (Vita & Fleming, 2001), and it continues to hold the attention of those who seek to strengthen nonprofit leaders, organizations, and the sector as a whole (Castillo, 2019).

Capacity building has many definitions, but broadly stated, nonprofit capacity building is any activity, funding, or other input that strengthens an organization's ability to pursue its mission. Common examples of capacity-building activities are group training or one-on-one technical assistance in areas like fundraising, bookkeeping, volunteer recruitment, donor stewardship, and human resources management.

There are more than 1.5 million nonprofit organizations that combine to contribute $985.4 billion to the U.S. economy (McKeever, 2018). Yet nonprofits are frequently asked to do more with less (e.g., Sandler et al., 1998), operate more efficiently, and focus on operations and

Key Points

- Community foundations have the potential to promote collaborative learning in a variety of ways as conveners, funders, and, in some instances, as nonprofit capacity builders. Yet little is known about what community foundations are doing to support capacity building. This article focuses specifically on nonprofit capacity building that is funded, organized, or led by community foundations in Illinois.

- First, this article identifies the capacity-building efforts of those community foundations. Next, it summarizes results from a qualitative survey to share insights from leaders of the foundations that offer capacity-building opportunities. These data shed new light on our collective understanding of how community foundations define both capacity building and success in capacity building, what challenges they encounter, and how funders can overcome obstacles to effective capacity building.

- The article concludes with practical recommendations for community foundations seeking to implement capacity-building opportunities.

management, all while emphasizing mission-related impact. This is where capacity-building efforts — such as training and leadership development — are called upon, and foundations often make investments in these initiatives in an attempt to strengthen the organizations that

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[1] Still others focused on developing a conceptual framework for capacity building (Honadle, 1981), capacity building and institutional development (Moore, 1995), and the development of local capacity in times of humanitarian crisis (Smillie, 2001).

Examples of capacity-building efforts include training, technical assistance, consulting services, board development, peer-learning opportunities, infrastructure development, and strategic planning.

are serving a given community. Still, there is very little empirical knowledge about the capacity-building efforts of community foundations specifically.[2]

This article focuses on community foundations in Illinois and their strategies to build nonprofit capacity in local communities. First, an overview briefly discusses some existing literature on capacity building and community foundations. This is followed by an analysis of qualitative survey data gathered from leaders of community foundations in Illinois that are funding or providing capacity-building services. These data illuminate different perspectives on capacity building from leaders in the community foundation field. Finally, practical recommendations are offered for community foundations that are considering the implementation of a capacity-building program or looking to enhance existing capacity-building efforts.

Capacity Building: An Overview

Nonprofit organizations are vital. Indeed, this research shares Paul Light's view from *Sustaining Nonprofit Performance: The Case for Capacity Building and the Evidence to Support It:* "[N]onprofits make miracles every day. Name a difficult national or international problem since World War II, and the nonprofit sector has played a role in addressing it, whether through

its research, innovation, entrepreneurial spirit, or advocacy" (2004, p. 13).

Nonprofits have important roles in communities throughout the United States, at a national level, and on a global scale — from advocacy and issue education (Boris & Mosher-Williams, 1998; Reid, 1999), to human services (Williams-Gray, 2016), to enhancing arts and culture (Hansmann, 1981; Schatteman & Bingle, 2017) and beyond (Hansmann, 1980; Kluver, 2004; Ott, 2001; Smith & Grønbjerg, 2006). In fact, it is difficult to identify an arena in which these organizations are not at least indirectly involved. Given the wide range and importance of services conducted by nonprofits, there is clearly pressure to perform and to enhance their capabilities (Vita & Fleming, 2001). Capacity building is one way to help strengthen nonprofit organizations.

Capacity building can occur at various levels: individual, organizational, or sectoral (Bryan, 2017). Donors, foundations, and governmental institutions have invested millions of dollars in nonprofit capacity building based on the fundamental notion that these efforts will result in nonprofits that are more appropriately prepared to achieve their missions (Linnell, 2003). Examples of capacity-building efforts include training, technical assistance, consulting services, board development, peer-learning opportunities, infrastructure development, and strategic planning. In some instances, community foundations have stepped in to invest in the capacity of nonprofits that serve their geographic focal areas. Yet relatively little is known in the aggregate about what community foundations are doing to support capacity building.

Methodology

The following analysis relies on data gathered from a qualitative survey that was administered in July 2019. First, a list of 27 community foundations was drawn from the website of the Alliance of Illinois Community Foundations (2019) and

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[2] At the core of many community foundations is the triad of endowment funds, donor advised funds, and grantmaking activities. These methods help ensure long-term, sustained asset appreciation and targeted investment in communities through grant funding. It should be noted that not all community foundations perceive capacity building to be part of their role. This research is targeted toward community foundations that are conducting or considering the addition of capacity-building services.

TABLE 1 Title and Location Frequency

Position Title	Frequency	Percentage
Executive director	2	25.0%
President & CEO	5	62.5%
Anonymous	1	12.5%
Total	**8**	**100.0%**

TABLE 2 Geographic Region Frequency

Region	Frequency	Percentage
Central	3	37.5%
Northern	3	37.5%
Southern	1	12.5%
Anonymous	1	12.5%
Total	**8**	**100.0%**

cross-verified for accuracy. Next, websites and annual reports (when available) of each community foundation located in Illinois were reviewed to determine whether they provided any of the following:

- professional development, training, or education for nonprofit board members, volunteers, or staff;

- grants to offset professional development, training, or education for nonprofit representatives;

- consulting or technical assistance designed to build specific areas of capacity within nonprofits; and

- financial support to a grantee that offers capacity-building services to nonprofits in their service area.

Stated differently, if a community foundation in Illinois directly provides a capacity-building program, offers grants to support capacity building, or funds a third party to lead capacity-building efforts, they were identified and contacted. The result was a list of 10 community foundations, and a survey was sent via email to the senior leadership (i.e., executive director, chief executive officer, etc.) of each. (See Appendix.)

Participants were given 15 days to respond and were sent up to two reminder emails as needed.

In the end, eight responses were recorded for a response rate of 80.0 percent (n = 10). The survey included 15 questions, of which only one was forced choice. The data were cleaned, analyzed, and coded before themes were identified.[3] What follows is a summary of the survey results to shed light on three primary questions:

1. How do community foundations define capacity building?

2. What challenges or barriers make capacity-building initiatives difficult to implement?

3. What recommendations could lead to successful implementation of capacity-building initiatives?

An attempt was made to summarize the data gathered without losing the sentiment and meaning behind what was shared. At times, full quotes are included to help clarify and contextualize the coded information. The responses have been summarized quantitatively, and they offer practical recommendations for overcoming common challenges associated with capacity building.

Results

All survey respondents were in senior leadership positions, and were located throughout Illinois. (See Table 1 and Table 2). One respondent did not include a name, title, or foundation represented.

[3] This project was guided by the methodological framework and processes of others with regard to survey design and implementation, data cleaning, coding, and analysis (Flick, 2013; Fowler, 2014; Saldaña, 2015; Silverman, 2016).

Descriptive statistics about the survey respondents underscore that approximately one-third of all community foundation in Illinois are engaged in capacity-building efforts. These initiatives are taking place in a variety of geographic locations and spread from the southern region to northern areas; however, the statistics suggest noticeable gaps in Illinois' nonprofit capacity-building landscape.[4] Most specifically, southern Illinois has fewer community foundations providing capacity building compared to the central and northern areas of the state; but there are also comparatively fewer community foundations in southern Illinois.

Defining Capacity Building

"What is 'capacity building'? That is the problem" (Moore, 1995, p. 1). Grappling with the topic has not stopped practitioners and scholars from developing many definitions of capacity building. Linnell (2003) describes it as a "continuum of interventions … that improve an organization's ability to achieve its mission" (p. 13). This continuum of interventions includes:

- individualized organizational assistance,

- group trainings,

- field-building work that brings organizations with similar missions together,

- peer-learning groups, and

- geographically focused capacity-building activities.

Light (2004) expands on the definition and includes all inputs that could be utilized by an organization to achieve its mission:

> Organizational capacity encompasses virtually everything an organization uses to achieve its mission, from desks and chairs to programs and people. Measured at any given point in time, capacity is an output of basic organizational activities such as raising money; forging partnerships; organizing work; recruiting and training board members, leaders, and employees; generating ideas; managing budgets; and evaluating programs. Once created, organizational capacity is consumed in mission-related program activities such as treating patients, feeding the hungry, building housing, producing art, educating students, training workers, and so forth. Once expended, it is regenerated through the same organizational activities that created it in the first place. (p. 15)

Others keep the definition relatively straightforward. Bryan (2017) defines nonprofit capacity building as an "organizational development strategy aimed at strengthening a nonprofit's ability to achieve its mission" (p. 92).

This is just a sample of definitions found in the research literature, and it also served as a natural starting point for survey respondents. All eight respondents were provided the opportunity to share their definition of nonprofit capacity building. All answered this question, and the responses were analyzed by content keywords to distill broad definitional themes and then coded with regard to definitional depth.

Three respondents focused on capacity building as a mechanism to "improve" the management and/or operations of nonprofit organizations. (See Table 3.) Other keywords that stood out were "growing" and "investing." For example, one community foundation leader described capacity building as "investing in resources that are utilized by nonprofit organizations to assist them in fulfilling their mission in the most efficient and effective ways possible, thus leading to a strong nonprofit network and sector serving a given geographic area." Working backward, this definition ties in the place-based nature of community foundations (i.e., "given geographic area"), emphasizes efficiency and effectiveness as desirable traits in the pursuit of mission fulfillment, and leads with the notion that capacity building is an investment. This follows the thinking of Vita and Fleming (2001), who view foundation-funded capacity building quite

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[4] Community foundations are not the sole providers of capacity-building initiatives. These services may be provided by consultants, community colleges, universities, chambers of commerce, and a variety of other resource providers. A full environment scan of all capacity building in Illinois is beyond the scope of this article.

TABLE 3 Defining Nonprofit Capacity Building: Themes

Theme	Frequency	Percentage
Growing	1	12.5%
Improving	3	37.5%
Investing	1	12.5%
Learning/Training/ Funding	2	25.0%
Resources	1	12.5%
Total	**8**	**100.0%**

TABLE 4 Defining Nonprofit Capacity Building: Definitional Depth

Definitional Depth	Frequency	Percentage
Transformative	3	37.5%
Transactional	5	62.5%
Total	**8**	**100.0%**

TABLE 5 Funding Comparison

Definitional Depth	% Funded by Endowment	% with Multiple Funding Sources
Transformative	100.0%	100.0%
Transactional	40.0%	40.0%

comprehensively. However, some capacity-building initiatives are not as encompassing, and this came through in the survey results as well.

The definitions were also coded by definitional depth. Some respondents offered definitions that described transformative capacity building. These touched on the depth of services, alluded to a broader scope, and/or focused on the outcome these efforts aim to achieve. Other definitions described a more transactional approach to capacity building;[5] those focused mainly on training and did not hint at a deeper perception of capacity building. (See Table 4.) One respondent defined it transformatively as "any intentional activity that serves to grow the human, capital, physical, financial, natural, and/or intellectual assets of an area or entity." Conversely, a more transactional viewpoint was "bringing training, education, and awareness speakers to town so they have learning opportunities close to home rather than traveling." In the end, five of the eight respondents had a more transactional definition of capacity building.

It should be noted that there is no value judgement being made here. Those with a transactional definition may be offering the precise capacity-building services their nonprofit partners need; or, perhaps, they are simply just beginning to offer capacity building. The purpose of including this secondary code is

solely to reinforce the differences that exist in how community foundations describe and discuss capacity building, especially given the wide-ranging definitions that scholars and practitioners have grappled with for some time. It also allows an opportunity to further analyze the approaches of these two groups, including comparing those coded as transformative and those coded as transactional with regard to how their capacity-building efforts are funded. (See Table 5.) Interestingly, those with a transformative operational definition of capacity building are fully invested financially. In fact, 100% have an endowment fund in place to financially support their capacity building and 100% have diversified their revenue streams to include multiple funding sources. This is not the case among those with a more transactional definition, where funding does not appear to be as stable (i.e., no endowment) or as diversified (i.e., a single funding source).

Challenges and Barriers

Capacity building is challenging work (Faulk & Stewart, 2017; Williams-Gray, 2016), especially when nonprofit organizations are frequently so focused on providing vital community services.

[5] The terms "transformative" and "transaction" are used here solely to categorize the findings. There are no values associated with either term. (See Table 4.)

[T]hose respondents who identified staff time as a challenge were predominantly those who described their initiatives as "on the back burner" or "on our radar for some time now, but [capacity building] hasn't made it into our strategic plan."

Much has been written about the pressure on nonprofits to reduce overhead costs, the debate between restricted and unrestricted funding streams, and whether administrative costs are a worthy investment of donor dollars. Capacity building does require investment and time, and nonprofits can find it difficult to focus on it when they are often caught in a chain of circumstances that leaves them, as Goggins Gregory and Howard (2009) put it, "so hungry for decent infrastructure that they can barely function as organizations — let alone serve their beneficiaries" (p. 49):

> Our research reveals that a vicious cycle fuels the persistent underfunding of overhead. The first step in the cycle is funders' unrealistic expectations about how much it costs to run a nonprofit. At the second step, nonprofits feel pressure to conform to funders' unrealistic expectations. At the third step, nonprofits respond to this pressure in two ways: They spend too little on overhead, and they underreport their expenditures on tax forms and in fundraising materials. This underspending and underreporting in turn perpetuates funders' unrealistic expectations. Over time, funders expect grantees to do more and more with less and less — a cycle that slowly starves nonprofits. (p. 50)

Broadly stated, nonprofits feel constant pressure to perform, and it is often at the expense of infrastructure, overhead, staffing, and professional development — all important elements of organizational capacity.

One nuance of the study at hand, however, is that the survey respondents are senior leaders at community foundations that are actually offering capacity building to nonprofits and, therefore, support it at least at a basic level. Theoretically, this ought to reduce some of the "pressure" outlined by Goggins Gregory and Howard; and there might be reduced "unrealistic expectations" from the funders included in this study.

Survey respondents were asked to share the most significant challenges they have faced related to nonprofit capacity building. Interestingly, the responses again varied significantly. Time was identified repeatedly as a challenge for both the foundation staff who lead capacity-building efforts and for the nonprofit staff, volunteers, and board members who are on the receiving end of capacity building. Here is a sampling of the responses that touched on time as a significant challenge:

- "Time restraints and turnover of nonprofits. Time restraints for foundation staff."

- "Staff time to lead efforts."

- "Getting nonprofits to devote time to it; both staff and board."

This makes intuitive sense, and is not surprising to see as a primary challenge. Time may be a particular challenge if the community foundation does not have dedicated staff to focus on capacity building. Indeed, those respondents who identified staff time as a challenge were predominantly those who described their initiatives as "on the back burner" or "on our radar for some time now, but [capacity building] hasn't made it into our strategic plan." On the nonprofit side, it is important to remember that many of these organizations are all-voluntary (Salamon, 2012). For some volunteers, it is very difficult to participate in capacity-building initiatives like a group training or workshop when they have limited hours to dedicate to their volunteer service. This can be a challenge even for those nonprofits with staff, since small organizations make up the majority of public charities in the United States

(McKeever, 2018). These smaller entities are especially challenged to invest in capacity.

Other challenges identified by the survey respondents included turnover within the nonprofit organizations and a lack of quality resources and/or consultants in their geographic region. Turnover is, indeed, a challenge in the nonprofit sector; in fact, turnover rates have been on the rise in the past decade (McCambridge, 2017). What this can mean for capacity-building community foundations is that an investment is made in the professional development of nonprofit staff with no guarantee that staff will remain intact. Beyond professional development or traditional training, turnover creates challenges for grantmaking, cohort-based learning, and other in-depth programs because institutional knowledge is often difficult, if not impossible, to fully pass on when staff members leave. And it is no surprise to see a lack of quality resources and consultants as a challenge, because Illinois has very disparate demographics, population sizes, and access from one part of the state to another. Some community foundations are located in areas with university faculty who specialize in nonprofit management, whereas others are comparatively isolated. Identifying and engaging qualified content specialists is vital to capacity-building efforts that offer training, workshops, and/or consulting services. The implications can be very real and quite challenging for foundations that offer capacity building in regions where these qualified experts simply are not available.

The final obstacle is substantial and difficult to overcome. Capacity building often encourages change of some kind (e.g., management practice, technique, operational approach), and change is difficult. Moreover, there can be tension between the views of funders and the perception of nonprofits with regard to needed change. This dynamic can further complicate the relationship between funders and the recipient of those funds. Here are a couple of responses that focused on the challenge of creating long-term change:

- "Nonprofits who decline to take advantage of the resources provided and/or don't

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implement effective ideas offered (e.g., you can lead a horse to water …)."

- "Creating change. We can spend a lot of time helping the nonprofit and the board understand how to be more efficient and better boards, but they often revert to past practices."

The difficulties in achieving behavior change are well documented (Berkman, 2018) and nonprofit capacity building is no exception. For example, a training about program evaluation might suggest that nonprofit leaders should outline a theory of change for each program they manage, depict that process visually with a logic model, and encourage participants to gather appropriate data to measure their progress over time. This analytical approach may be second nature for some nonprofits. Yet it is fairly easy to envision an organization that would make an attempt to incorporate some of these practices from the training before ultimately reverting back to the old way of business which may not employ such deliberative activities (Bryan, 2017).

Implementation Success

Measuring success can also be quite challenging, especially in the nonprofit sector, where there are various levels of accountability, multiple stakeholders, and limited resources (Benjamin, 2013; Devine, 2016; Kaplan, 2001; Sandler et al., 1998; Zimmermann & Stevens, 2006). To shed light on "success," survey respondents were asked if they

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consider their capacity-building efforts to be successful (by their own definition) and to elaborate. (See Table 6.)

Half of the respondents (n = 4) view their capacity-building efforts as successful; only one does not. This respondent also reported that "capacity building for nonprofits has been on our radar for some time now, but hasn't made it into our strategic plan," and indicated that it is currently "on the back burner" as an organizational priority. Three organizations were unsure or tentative in their responses:

- "Not yet …, but a start. In addition to our microgrants and professional development trainings, we are also providing education to nonprofits and the community at large on what capacity building is. … [We are] also having conversations with our donors and fund advisors on how nonprofits need investments in their operations."

- "Sometimes. With one [nonprofit], the success was that they didn't make the changes and nearly went out of business. When faced with that crisis, most of the board members resigned and new ones came on. I continue to work with them and feel much better about their chances of success."

Next, survey respondents were asked a series of questions about how to achieve "success" with capacity-building initiatives. One recurring theme is simply that they recognized there is a need for nonprofit training. Stated differently,

TABLE 6 Capacity-Building Success

Response	Frequency	Percentage
Yes	4	50.0%
No	1	12.5%
Unsure/Not yet	3	37.5%
Total	**8**	**100.0%**

these data suggest funders must acknowledge that nonprofits require training, technical assistance, and development just like other organizations, and this necessitates investment. Some said the cost of training needs to be nominal or nonexistent, since many of the nonprofits in their area do not have budgets for professional development. Another respondent noted the importance of involving nonprofit organizations in the capacity-building process from the very beginning to ensure it is valuable and aligned with their needs: "Involving representatives from key nonprofits and resource providers in our area to be part of the planning, structuring, and launching of the [capacity-building] initiative [led to success]. If it were just funder-driven it would have likely failed."

Survey respondents were also asked specifically what is needed from the foundations' board of directors to help ensure successful capacity building. The results suggest that board members should be engaged in the process, lead by example, and have a willingness to actually make a financial investment through funding capacity-building initiatives:

- "Strategy must be co-created between the board and staff."

- "We have to invest in our own capacity and lead by example. Also, supporting staff time and expenses in our operating budget for capacity-building efforts."

- "An understanding and deep appreciation of the link between capacity-building resources that we offer and the investment in the success and future of area nonprofits.

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A willingness to properly fund and staff the professional resources needed to provide strong leadership of our in-house [capacity-building] efforts. Engagement in following the activities and results of our efforts and communicating those accordingly to their professional and personal networks."

While "success" is a highly subjective measure, this section provides a glimpse at how these survey respondents view their capacity-building efforts. All told, half view their capacity building as successful (n = 4). Moreover, the data reveal a variety of precursors for success, such as setting an appropriate price point for capacity-building training, creating a representative structure that includes the nonprofits that will benefit from capacity building, and an assortment of prescriptions for community foundation board members. The next section outlines some limitations of this study and further elaborates on practical recommendations that may assist foundations that are launching capacity-building programs.

Discussion and Recommendations

One limitation of this study is the low number of survey respondents. Although an 80.0% response rate was achieved, this effort still relies on data from only eight community foundation leaders. Future research could investigate capacity building by community foundations in multiple states, which would allow for a deeper analysis of commonalities, differences, trends, and themes.

Another methodological challenge is identifying community foundations that may provide capacity-building funding to grantees within another area of broader grantmaking. For instance, a grant issued to support a collective impact initiative focused on affordable housing might also include some funding for leadership development. Capacity building that is embedded in a broader grant may not have been captured in this study, depending on how the community foundation communicated about the funding. Ultimately, this study includes only those community foundations that are deliberately investing in capacity building to the point that they are publicly acknowledging it via

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annual reports or their website. An opportunity for future study is to investigate capacity building that is implanted in broader grantmaking, but that is beyond the scope of this research.

Community foundations can vary widely in areas such as organizational structure, leadership, staffing, location, service area, assets, and annual revenue. Some community foundations simply do not have an appetite for capacity building. This can be due to a focus on more traditional areas, such as endowment funds, donor advised funds, and grantmaking activities. Not all community foundations view capacity building as part of their role. Others are located in places that are full of resources, like content experts, consultants, university faculty, think tanks, and other providers, that are satisfying capacity-building needs. In the end, this low N may impact the generalizability of these findings. Considering the lack of research specifically focused on capacity building by community foundations, the goal is that these results may still prove beneficial for those planning capacity-building initiatives in the future.

In that spirit, the following points from foundation leaders who participated in this study can serve as recommendations for foundations that

One common theme from these data is quite clear: Focus on the nonprofits and resist making assumptions about what needs exist. While this is not groundbreaking advice, it is an important reminder.

are considering launching capacity-building initiatives:

- "Be humble. Promote best and effective practice, but don't presume just because we are a community foundation that we know how other nonprofits should run their shops."

- "Have really good information and really good resources. Also, don't be formulaic. Respond to the needs of the individual groups."

- There is "[l]ots of local, free talent, so use them first, whether from the nonprofit world or business world."

- "Make a long-term investment, not just grants."

- "Scan their local environment (service area) to evaluate who is already providing such resources, and convene a meeting(s) to explore what's being done and where gaps may exist."

- "Talk to your nonprofits about their current challenges; educate and advocate on why we need to change our grantmaking practices from just program/project support to investing in the nonprofits themselves."

One common theme from these data is quite clear: Focus on the nonprofits and resist making assumptions about what needs exist. While this

is not groundbreaking advice, it is an important reminder.

This type of collaborative and deliberate approach is supported by others. Most specifically, Bryan (2019) suggests a contingency model to conceptualize and assess nonprofit capacity. She defines capacity as "the means by which organizations achieve effectiveness" (p. 885), and explains that effectiveness is perceived differently based on how it is measured and who is assessing it. Stated plainly, community foundations and nonprofits may perceive effectiveness differently. Bryan notes:

> By understanding that assessment of capacity is contingent on how organizations and funders define effectiveness, organizations can target areas of capacity-building that will most likely produce the outputs and outcomes (effectiveness) that they desire. … If those who fund capacity-building programs want enhanced effectiveness, it is critical to define their measure(s) of effectiveness for nonprofits before articulating the areas of capacity-building that will enable the organization to achieve its mission. (p. 894)

At the core of Bryan's model is the notion that nonprofits and funders must first assess needs and establish effectiveness measures or goals, and then proceed with capacity building designed to address the needs and to enhance effectiveness. It is heartening to observe that survey respondents for this study share this sentiment. These data suggest a focus on the nonprofits being served and resistance against assumptions about what nonprofits need.

In summary, these data suggest that community foundations involve nonprofit representatives in the process, engage with nonprofit leaders about their challenges and capacity-building needs, avoid duplication of services by identifying gaps via environmental scan, and commit to long-term investment in developing capacity in collaboration with the nonprofit community. Now attention turns to some additional practical recommendations for community foundations that are offering capacity building or are contemplating these types of initiatives. The recommendations are organized using the four

TABLE 7 Challenges and Associated Recommendations

Challenge	Recommendations
Time • External (nonprofit representatives) • Internal (community foundation staff)	1. External: Gather data from nonprofits to determine the best times to offer capacity building. 2. External: Offer asynchronous training to accommodate schedules. 3. External: Evaluate the impact of capacity building and communicate positive results to reinforce value. 4. Internal: Integrate capacity building into organizational goals and strategic plan. 5. Internal: Dedicate staff or a percentage of an employee's time to capacity building so there is an identifiable foundation representative leading capacity-building efforts; justify this investment of human resources using impact data from recommendation No. 3.
Nonprofit-personnel turnover	1. Offer training, leadership development opportunities, and other programs to encourage retention and systemically counter turnover. 2. Offer capacity building at the network level to encourage relationship building, connections, and a sense of collaboration. 3. Create a 3- to 5-year training schedule with input from nonprofit representatives, and repeat select training regularly.
Lack of resources	1. Encourage and convene participants for peer-learning opportunities to encourage idea sharing, lessons learned, and networking. 2. Connect with resources digitally when possible to overcome any lack of local resources.
Behavior change	1. Encourage nonprofits to target areas of capacity building that will produce the outcomes they desire, and tailor capacity building to that need and their ability level. 2. Be consistent and invest for the long term. 3. Consider all elements of capacity building and how different components complement each other. 4. Engage nonprofits in the entire capacity-building process to encourage ownership.

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primary challenges identified by survey respondents as a framework: time, staff turnover, lack of resources, and prompting actual behavior change. (See Table 7.)

To begin, time is a challenge for both the foundation staff who lead capacity-building efforts and for the nonprofit staff, volunteers, and board members who participate in capacity building. Although persistent, this challenge is not insurmountable.

• First, nonprofits can provide feedback about when capacity building should take place. This feedback can be obtained from a formal survey, focus groups, informal discussions, a posttraining program evaluation, or a combination of these options. The point is, funders can ask nonprofits for this information and respond accordingly.

• Second, funders can make resources available on demand for nonprofit representatives to access when it is convenient for them. For example, webinars can be archived on a website, shared on social media, or distributed via email. Presentations can be recorded for virtually no cost and made available publicly afterwards. This approach reduces transportation and time considerations, but might diminish in-person attendance.

Leadership turnover was another obstacle survey respondents identified. One practical recommendation to overcome this challenge is to invest systemically in keeping employees in the community and with the nonprofit as an employee or volunteer.

- Third, capacity building should be evaluated regularly to measure its effectiveness and impact. Funders would be wise to communicate these results broadly to their nonprofit partners. This step can be used to reinforce that the funder is leading by example via its evaluation efforts, the funder takes capacity building seriously, and there is value in capacity building. Demonstrating and communicating the value of capacity building can help create buy-in among nonprofits and encourage them to make the time to participate.

- Fourth, funders face time constraints as well, and there are options to help mitigate this challenge. For instance, capacity building can be integrated into the funder's strategic plan. This demonstrates a commitment to capacity-building activities and, theoretically, aligns capacity building within the broader plan as a priority.

- Fifth, human resources should be dedicated to capacity building. This will vary depending on the funder. For instance, one community foundation may have multiple full-time employees directing and leading a comprehensive in-house capacity-building initiative. Another foundation could have a percentage of someone's time allocated to fielding questions and referring inquiries to a consultant that carries out capacity

building in partnership with the foundation. Clearly, this suggestion carries with it an administrative expense, but it also suggests a true commitment to building the capacity of nonprofit organizations.

Leadership turnover was another obstacle survey respondents identified. One practical recommendation to overcome this challenge is to invest systemically in keeping employees in the community and with the nonprofit as an employee or volunteer. This type of investment is difficult to measure, but many community foundations are focused on enhancing the quality of life in a given geographic area, which may encourage some retention of employees. More specifically, capacity building can focus on leadership development, cohort learning, and other methods of fostering relationships, and encouraging a sense of connectivity among nonprofits at the network level and among individuals. It is also important to note that turnover is not necessarily a bad occurrence (Ban, Drahnak-Faller, & Towers, 2003), especially considering the various circumstances that can lead to departures (e.g., poor performance, illegal activity). As a result, funders can prepare for turnover by working collaboratively with nonprofits to develop a three- to five-year capacity-building schedule. Key training opportunities and workshops could be offered at regular intervals so that new board members, staff, and volunteers can all benefit.

Another challenge identified by survey respondents is a lack of resources for capacity building, such as consultants or other qualified experts. For funders that feel isolated from resources, one recommendation is to encourage nonprofits to come together for peer-learning opportunities. By encouraging and convening, funders can create the space for nonprofit leaders to share ideas, lessons learned, resources, and strategies. These opportunities also allow for networking and relationship building. Examples might be lunch-and-learn gatherings, where a management topic is used as a conversation starter and nonprofit representatives attend to discuss the topic; sector-specific meetings to further connect those in human services, arts and culture, or other subfields of the nonprofit sector;

or executive director roundtables for nonprofit leaders to build networks, connect with others in their role, and share ideas. These peer-learning offerings do not require access to consultants or expert trainers; instead, they are organic and led by those in the community. Another recommendation is for isolated funders to investigate digital resources for capacity building. There are many options available for low or no cost from reputable sources, and these videos, content libraries, document archives, and other resources can be disseminated to nonprofits regardless of physical location.

The final challenge is arguably the most difficult to overcome. Behavior change is not easy, but funders can position their capacity-building efforts for success by making them "contextual (tailored to the unique needs of the grantee), continuous (taking the long view), and collective (considering how the parts add up)" (Bartczak, 2013, p. 77). Funders should engage nonprofits in the entire process of capacity building, from planning and program design to implementation and evaluation. Through this approach, capacity building can be tailored to the needs of the nonprofits, resulting in valuable and relevant offerings (Bryan, 2019). Finally, funders should be deliberate with their capacity-building strategy. Consistent, deliberate, inclusive, comprehensive, and relevant — these descriptors can help guide capacity building initiatives.

Conclusion

Although capacity building has been around for decades (Honadle, 1981; Moore, 1995; Vita & Fleming, 2001), there is still much to learn about how it can help nonprofits (Bryan, 2019). Fortunately, community foundations serve as a valuable setting to demonstrate capacity-building initiatives and learn from their experiences not only as funders, but also as catalysts working to strengthen nonprofit organizations, their employees and volunteers, and the sector.

There is no panacea for the challenges of capacity building that confront community foundations. Foundation leadership would be wise to frame capacity building as collaborative, to involve nonprofits in the process, to ensure relevancy

Behavior change is not easy, but funders can position their capacity-building efforts for success by making them "contextual (tailored to the unique needs of the grantee), continuous (taking the long view), and collective (considering how the parts add up)."

by tailoring capacity building to unmet needs, to view efforts comprehensively, and to be consistent. These findings are reinforced by this survey response: "We are kind to nonprofits. We don't expect them to be perfect. Rather, we see our grantmaking/capacity building and their evolution as an iterative, continuously improving process." In the end, this type of supportive, encouraging, and collaborative attitude toward capacity building is difficult to operationalize, but is arguably an antecedent for capacity-building success.

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Sector

APPENDIX Capacity-Building Survey

Introduction

Thank you for taking the time to participate in this study about nonprofit capacity-building efforts of community foundations in Illinois.

The goals of this research are to:
- Describe capacity building by community foundations in Illinois.
- Identify any themes or commonalities among these efforts.
- Outline challenges related to capacity building.
- Identify any best practices or recommendations for community foundations that want to embark on capacity-building efforts.

Consent

All responses to this survey are confidential. Your name and the name of your organization will not be associated with responses when the results are reported. Individual responses will be combined and reported in aggregate, so no one can identify answers from a specific organization.

This survey contains 15 questions and most respondents will be able to complete it in approximately 20 minutes, but this depends on the length of answers you submit. You may save your work and continue the survey at a later time.

By completing and submitting this online survey, you understand that:
- Taking part in this study is entirely voluntary.
- You may refuse to participate or discontinue participation at any time without penalty.
- You may decline to answer any question (by selecting or typing "Decline").
- The results of the study will be used for practical and scholarly purposes. The results from the study will be made publicly available and presented in educational settings and at professional conferences, and the results may be published in professional journals.

If you have any questions about the survey, please contact [redacted].

I agree to participate in this survey.
- Yes
- No (SKIP TO END)

Section One – Background

1. First Name
2. Last Name
3. Job Title
4. Organization
5. How do you define nonprofit capacity building?

Section Two – Goals, Funding, & Challenges

6. In your own words, what are your foundation's goals relative to capacity building?
7. How does your foundation build the capacity of nonprofits? Please describe any programs, services, funding, etc., that you consider to be capacity building.

8. How are these capacity-building efforts funded? (Select all that apply.)
   a. Endowment
   b. Program/training fees
   c. Sponsorships
   d. External grants
   e. Other
9. What are the most significant challenges your foundation faces related to building the capacity of nonprofits?

Section Three – Perception & Recommendations

10. Do you consider your capacity-building efforts to be successful? Why or why not?
11. Please describe one aspect your foundation really "got right" about capacity building when these initiatives first started in your organization.
12. Thinking about your board of directors, what's needed from the board to help ensure successful capacity building?
13. What recommendations do you have for foundations that are considering launching a capacity-building initiative?
14. What recommendations do you have for a foundation that wants to take the next step and strengthen their capacity-building efforts?
15. Please include any additional comments below.

Conclusion

Thank you for participating in this study. Your input is greatly appreciated.

We anticipate concluding with data collection by July 26, 2019, and a manuscript will be submitted for peer review in mid-August.

If you have any follow up comments or questions, please contact [redacted].

Thanks again!

You may now close your browser.