Capacity-building needs of minority health nonprofits

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A R T I C L E   I N F O

Article history:
Received 8 January 2008
Received in revised form
22 April 2008
Accepted 17 August 2008

Keywords:
Capacity building
Minority health
Nonprofit

A B S T R A C T

This article reports on the results of a statewide assessment of the capacity-building needs of organizations that provide health services to ethnic minority groups in Ohio. The research addressed gaps in knowledge about the specific needs of these organizations for improved effectiveness and long-term sustainability. A telephone survey of 659 organizations, supplemented by focus groups with 37 participants in the state’s largest cities, indicated substantial need and interest in capacity-building technical assistance in areas such as revenue-generating activities, marketing and public relations, information technology training, program evaluation, and board leadership development. The limited ability of these organizations to pay for the needed assistance creates challenges for planning approaches to meet these vital needs.

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1. Introduction

Organizational capacity building is widely viewed as a means to help nonprofit organizations improve their service delivery, strengthen staff productivity and efficiency, and enhance financial stability (California Wellness Foundation, 2001; Foundation Center, 2004; Sobeck & Agius, 2007). There are limited numbers of empirical studies on the capacity-building needs of nonprofit organizations, and most capacity-building research has been focused on larger nonprofits rather than those with more limited budgets (Venture Philanthropy Partners, 2001). Studies of the capacity-building needs of organizations mainly serving ethnic minorities, which often include smaller grassroots and faith-based organizations that are not well financed, are rare. For example, statewide assessments of capacity-building needs of nonprofits in Indiana and Arizona (Arizona Nonprofit Capacity Building Initiative, 2003; Grønbjerg & Cheney, 2007) broadly surveyed the nonprofit organizations in these states without differentiating the needs of those who serve mainstream populations and those who serve primarily ethnic minority communities.

The few studies focusing exclusively on minority service provider organizations suggest that their capacity-building needs and preferences may have unique aspects. A national study of the technical assistance needs of immigrant and refugee-led organizations found that these organizations had more limited access to flexible financial support for capacity-building assistance. They also had strong preferences for technical assistance consultants who were culturally competent and experienced in working with small grassroots organizations. In addition, they had a need for materials in languages other than English (McKay, Scotchmer, Ros, & Figueroa, 2001). Similarly, a capacity-building project for small community-based nonprofit ethnic minority health agencies in Central Florida found that these organizations did not have the resources to afford capacity-building services (Kapucu, Augustin, & Krause, 2007).

The present study was designed to identify the capacity-building technical assistance needs of organizations providing health promotion services to minority consumers in Ohio, their interest in receiving such services, the associated financial considerations, and the preferred means for delivery of capacity-building services. The term ethnic minority includes African Americans, Asian Americans, Latino/Hispanic Americans, and Native Americans. Information gained through the study will help capacity-building providers plan for services to minority nonprofits in the areas of most critical needs and in the formats most desired.
The article begins with a brief review of the literature on nonprofit organizations and capacity building. Next, we will describe the methodology of the needs assessment research, characteristics of participating organizations, and summarize the research results. We will conclude with a discussion of the implications of the research and provide recommendations on the provision of capacity-building services to minority health organizations.

2. Literature review

Nonprofit organizations serve as vehicles that mobilize and empower local residents to represent their collective interests (De Vita, Fleming, & Twombly, 2001). Many nonprofit organizations are created to fill gaps in services that government and business do not provide. For many years government has provided an enormous amount of funding for nonprofit organizations through mechanisms such as contracts, grants, and vouchers (Hall & Burke, 2002). Consequently, over time, nonprofits have taken on increasingly important roles in the provision of health, social, and welfare services in the United States (Boris & Steuerle, 1999; Eisinger, 2002; Salamon, 1995; Smith & Lipsky, 1993), and public policy makers have grown to rely on nonprofits for finding local solutions to a variety of community problems (Boris, 2001). The nonprofit sector is extraordinarily complex and includes very diverse types of organizations, including hospitals, universities, art galleries, dance theaters, employment and training centers, youth development programs, food banks, and drug treatment and prevention centers, among others. Some of these organizations are large with multimillion dollar budgets, while others are small one- or two-person firms with very limited financial resources.

The wide diversity in size, resources, environments, and services among nonprofits plays a significant role in the needs and abilities of these organization to build and sustain capacity (Boris, 2001). De Vita et al. (2001) assert that the environmental context of nonprofits consists of interactions and exchanges between business and government along with constant shifts in socio-demographic factors, economic conditions, political dynamics, and the values and norms of the community. The unique and dynamic environmental factors influencing nonprofits make it difficult to identify and generalize about effective strategies for building capacity.

Several definitions have been provided for nonprofit capacity building. For instance, McPhee and Bare (2001) define capacity building “as the ability of nonprofit organizations to fulfill their missions in an effective manner.” De Vita et al. (2001) add to the definition by noting that capacity building contributes to fulfilling mission by strengthening nonprofits in the areas of administration, finance, human resources, and facilities. Capacity building essentially involves the ability “to secure outside resources and to attain scale” (Glickman & Servon, 1998). Although we can conceptually define capacity building, it is difficult operationalize this concept (Wing, 2004). Grønbjerg and Cheney (2007) noted that there are seven operationalized dimensions of capacity building that were prominent in the literature including financial resources, marketing, networking and advocacy, information technology, human resources, planning and programs, and operations and governance.

The literature provides a variety of activities that should be undertaken to assist nonprofit organizations with building and sustaining capacity. For instance, De Vita et al. (2001) argue that there are three main types of capacity-building activities, including: (1) assessment inside and outside of the organization, (2) interventions using management consultation, training, and/or technical assistance, and (3) direct financial support for core operating support, specific grants, and working capital. Yet, Boris (2001) suggests that capacity building should go beyond finding ways to increase nonprofits financial resource base. It should include: developing a broad vision and assessing how the organization can meet the community's needs, examining the nonprofit's board of trustees and governing structure, conferring with mentors, developing formal and informal connections within the community, gaining access to technology and providing the equipment, training, and necessary infrastructure to maintain the technology, as well as recognizing the role and importance of performance measurement and accountability (Boris, 2001). Other scholars note that nonprofits should develop and implement strategies to develop resource capacity, organizational capacity, political capacity, networking capacity, and programmatic capacity (Glickman and Servon, 1998; Nye and Glickman, 2000). Overall, the nonprofit capacity-building literature examined provided conceptual definitions and operationalized dimensions of capacity building as well as identifying strategies and models for building nonprofit capacity in a dynamic environment. Few if any studies have used a mixed methods approach to directly assess the capacity-building needs of nonprofit organizations serving ethnic minority populations.

3. Methodology

This study was conducted in two phases: (1) a telephone survey whose purpose was to collect information about the capacity-building needs of community-based organizations providing health and social services to minorities in Ohio, and (2) a series of focus groups whose purpose was to generate additional information on the topics covered in the survey. The survey instrument and telephone study methodology was approved by the Institutional Review Board of the University of Akron, and the focus group protocols by Wright State University.

3.1. Telephone survey

The survey was constructed by an evaluation planning group that has been working with the Ohio Commission on Minority Health, a state grant-making agency, to improve the evaluation performance of grantees. Survey items were based on factors identified in the professional literature as essential elements needed for organizational effectiveness. Survey respondents were asked to rate their level of need for capacity-building technical assistance on 23 activities such as grant development, strategic planning, outcome-based evaluation, financial management, and related items. Several identifying characteristics of participating organizations were also collected; e.g., the organization’s annual budget and ethnicity and characteristics of the board and service population.

The sample population was derived from mailing lists and contact information supplied by the Ohio Commission on Minority Health. Originally numbering over 4000 agencies and contacts (many of the same entities appearing in multiple manners), the lists were cleaned and duplicate records were eliminated. Because this study focused on the needs of community-based service organizations, state governmental entities, hospitals, universities, individual private consultants, and privately owned organizations were eliminated from the sample. After these procedures, 1340 potential agencies remained in the sampling frame. Remaining incomplete entries were validated through web-based searches and follow-up telephone calls, yielding an additional 416 organizations, for a total of 1756 organizations in the initial sampling frame. Of these,
572 organizations were unreachable because contacts listed were fax numbers, wrong listings, or numbers that were disconnected and could not be subsequently traced. An additional 25 organizations contacted were determined not to meet the inclusion criteria as outlined above. This left a total of 1159 valid organizations.

The survey was conducted during March and April 2007 by paid, professionally trained interviewers using Computer Assisted Telephone Interviewing (CATI) technology. Aside from the CATI system, quality control was also enhanced by training that included practice calls and by the use of dedicated interviewer monitors, sample verification of completed interviews, and silent monitoring protocols. Contact was attempted with all 1159 organizations in the sampling frame. Interviewers asked to speak to each organization’s executive director, or another senior staff person “familiar with their organization’s minority health programming” to participate in the needs assessment. If unavailable, a call-back time and date was arranged. Up to 20 calls were made to each participant as necessary. A total of 659 interviews with eligible organizations were completed, for a response rate of 56.9%.

For analysis purposes we classified responses to the question, “what is the primary race of the population you serve” into two categories based upon whether the organization served minorities as a primary or secondary focus. An organization was classified as serving minorities as the primary population if they responded that they primarily served African-American/Black, Latino/Hispanic, Asian, or Native American populations. An organization was classified as serving minorities as a secondary population if they reported primarily serving Caucasian clients. It is important to recognize that this is an analytical distinction made for clarifying relationships in the data. All organizations surveyed served minorities as either a primary or secondary focus.

3.2. Focus groups

Five focus groups were conducted in May and June, 2007, and a total of 37 individuals participated. Participants were drawn primarily from the list of telephone survey respondents and were agency directors or senior level staff members. During the telephone survey interviews, participants were asked if they would agree to be contacted about participation in a follow-up focus group in their area. Those who agreed were then contacted by a focus group facilitator with specific information about the purpose and logistics (date, time, and location) of the focus group in their region. In one urban area where there were too few telephone survey participants identified to form a focus group, additional participants were solicited from organizations known to the facilitator as health service providers to ethnic communities.

Before the focus group discussion, participants signed a consent form and completed a one-page demographic survey providing information about the organization they represented. There were at least two facilitators for each group, with one facilitating the discussion and the other recording session notes. All sessions were tape-recorded and later transcribed. Facilitators followed a standardized format for prompt questions to be discussed during the session. Topics covered in the focus groups included key factors impacting the organization’s sustainability, key challenges faced in delivery of the agency’s mission and objectives, and specific technical assistance needs with regard to strategic planning, financial planning, governance, human resource management, and use of technology. Participants were also asked to prioritize capacity-building technical assistance needs, to indicate technical assistance services for which they would be willing to pay, and to provide information on the best methods and locations for technical assistance to their organizations.

4. Results

4.1. Demographic characteristics of the samples

Organizations participating in the telephone survey and focus groups included a diverse array of health and human service organizations (e.g., neighborhood health clinics, substance abuse treatment centers, rural community development corporations, ethnic churches, and so on) that provide some type of health promotion or health education services for ethnic communities. Services provided include, among others, violence prevention, nutrition education, AIDS prevention, diabetes education and support groups, and health education materials in other languages.

The telephone survey and focus group organizations were similar in terms of mission and nature of services provided. For example, 35.5% of telephone survey organizations indicated they primarily provided human or social services as did 40.5% of focus group participants. A total of 20.4%, indicated health services as their primary focus as did 21.6% of focus group participants. Survey participants and focus groups participants were also similar in representation in faith-based, education, and mental health services. However, they differed in size of annual budgets and number of paid staff and volunteers. The median budget of telephone survey respondents was $800,000, ranging from 14.2% with a budget below $100,000 to 4.1% with an annual budget of over $25 million dollars. As expected, organizations with higher budgets had more staff and volunteers as shown in Table 1.

Focus group participants, on the other hand, represented smaller organizations since 45.9% had an annual budget of less than $100,000 and only 2.7% had a budget of over 10 million dollars. These smaller organizations had fewer staff, and many of their staff members had both managerial as well as direct service delivery responsibilities.

4.2. Interest in technical assistance by telephone survey participants

All organizations participating in the survey were asked a set of questions regarding their interest in receiving capacity-building technical assistance and their ability to pay for technical assistance. In general, participating organizations were interested in both general and web-based technical assistance, but generally lacked the ability to pay for technical assistance. However, as shown in Table 2, organizations that primarily served a minority population were more interested in receiving technical assistance than organizations that served minorities as a secondary focus (68.9% versus 45.2%, respectively). Similarly, organizations with smaller budgets were significantly more likely to be interested in capacity-building technical assistance. Organizations with an

<table>
<thead>
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<th>Budget size</th>
<th># Paid FT and PT staff</th>
<th># Paid FT staff</th>
<th># Volunteers</th>
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<tr>
<td>0–100K</td>
<td>5</td>
<td>3</td>
<td>36</td>
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<tr>
<td>101–500K</td>
<td>9</td>
<td>5</td>
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<tr>
<td>501–2 Million</td>
<td>26</td>
<td>18</td>
<td>242</td>
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<tr>
<td>2.1–5M</td>
<td>65</td>
<td>49</td>
<td>116</td>
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<td>5.1–25M</td>
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<td>204</td>
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<td>&gt; 25 Million</td>
<td>610</td>
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4.3. Ability to pay for assistance by telephone survey respondents

Organizations were asked if they have the capacity or ability to pay for any technical assistance. Table 3 shows that only 28.6% of organizations reported that they could pay. However, organizations that served minorities as a secondary focus and organizations with larger budgets appear to have greater financial capacity than primarily minority-focused organizations and organizations with smaller budgets.

4.4. Telephone survey rankings of technical assistance needs

Organizations were asked to rate their perceived level of technical assistance need on 23 specific capacity-building organizational activities. The level of need for these individual activities was assessed by the respondent as either “urgent,” “helpful but not necessary,” or “no need.” Table 4 ranks the overall results for technical assistance need in order of importance based upon the following criteria: primary technical assistance needs are needs in which at least 20% of all organizations expressed an “urgent need” for technical assistance. Secondary technical needs are those in which 10–20% of all organizations expressed an urgent need, and tertiary needs are needs identified as urgent by fewer than 10% of all organizations.
The most frequently identified primary need was researching grant funding sources (33.2%), followed by writing grant proposals (28.0%) and creating fund-raising plans (26.3%), respectively. Respondents identified eight secondary technical assistance needs, followed by 12 tertiary needs. Foremost secondary needs included marketing or public relations and managing multiple grant projects, followed by information technology training, managing volunteers, performing outcome-based evaluation, board recruitment and training, performing needs assessments, and developing collaborative partnerships. Foremost tertiary needs included process evaluation, developing business/strategic plan, financial planning/budgeting, and data storage and management. Other tertiary needs included, in order of importance, assistance in making conference presentations, developing benchmarks/objectives, selecting and working with an evaluator, developing concrete goals, personnel management, financial record keeping, developing a mission statement, and conducting ethical business practices. Respondents were also asked if there were any other areas in which they could use technical assistance. Only 16.4% of organizations identified other areas of need, which included website design and management, capital campaigns and improvement, recruiting and retaining a qualified and diversified staff, and cultural competence training.

### 4.5. Relationship of technical assistance needs to organizational characteristics

We carried out two logistic regressions, the first with interest in technical assistance as the dependent variable and the second with the capacity to pay for technical assistance as dependent. The independent variables in each regression were as follows: annual budget size; number of total paid staff; number of volunteers; whether minority populations were a primary or secondary focus; and total number of technical assistance needs identified as urgent by the respondent.

In the analysis in which interest in receiving technical assistance was the dependent variable, the total number of technical assistance needs seen as urgent and a primary focus on minority populations were significant, at .000 and .005, respectively. In the analysis using capacity to pay for technical assistance as dependent, three variables emerged as statistically significant: budget size ($p < .014$), primary focus on minority populations ($p < .007$), and total number of urgent needs identified ($p < .003$). In other words, organizations were more likely to be interested in receiving technical assistance if their primary service focus was on a minority population and if they had identified a greater number of urgent technical assistance needs. However, the ability to pay for technical assistance was greater for organizations identifying fewer urgent technical assistance needs, and those with larger budgets and a secondary rather than a primary focus on minority populations.

Table 5 looks at the demographic characteristics shown in Tables 2 and 3 by the three primary technical assistance needs identified by respondents (researching funding sources, writing grant proposals, and creating fund-raising plans). Primarily minority-focused organizations were significantly more likely to be interested in these three needs than organizations with a secondary focus on minorities. Similarly, organizations with smaller annual budgets and multi-service provision agencies were significantly less likely to identify these three needs as their highest priority.

### 4.6. Focus group themes

#### 4.6.1. Key factors in sustainability

Focus group themes were identified in the areas of key factors in sustainability and key challenges in delivery of mission.
The predominant theme of focus group discussion in the area of key factors affecting sustainability was funding. There was nearly unanimous agreement that funding was the biggest issue threatening their continuation. Many participants in fact described their organizations as frequently in crisis mode relative to funding. This is due, in part, to the fact that they often depended on grants and thus were working with sources of money that would end, usually within 24–36 months.

Because of their understanding of the temporary nature of grant funding and the ongoing need to secure support from this source, agencies indicated a strong need for technical assistance in the area of identifying grant funding sources including government grants at federal, state, and local levels as well as from private and corporate foundations. Participants indicated that they had needs in the area of grant writing and that having in-house grant writing talent was a challenge. Participants also complained about the cumbersome requirements of many grant applications and some talked about finding the prospect of writing federal grants intimidating. As one participant stated, “Grant writing has become too elusive and sophisticated for the people who need it most. There is more of an emphasis on dotting your I’s and crossing your T’s.”

In addition to struggling with narrative writing, many participants also indicated not knowing how to develop budgets, to project program costs, and to write budget justifications. In fact, several participants indicated that they did not really understand terms used to describe budget items. Coming up with required match also presented a significant problem. Those receiving grants felt that the funding sometimes provided only for service delivery and did not adequately cover administrative and evaluation costs associated with the programs. Others noted as well that the reimbursement models common to many grant programs are problematic because they do not have “nest eggs” to cover expenses until the reimbursement arrives.

Some participants emphasized the need for diversifying the funding base and examining creative options such as developing sustainable income streams through small business ventures. Models cited included organizations that have developed thrift shops, auto auctions, and catering ventures. Other participants indicated that they had needs in the area of grant writing and that having in-house grant writing talent was a challenge. Participants also complained about the cumbersome requirements of many grant applications and some talked about finding the prospect of writing federal grants intimidating. As one participant stated, “Grant writing has become too elusive and sophisticated for the people who need it most. There is more of an emphasis on dotting your I’s and crossing your T’s.”

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health, mental health, and social and economic issues such as housing, employment, and education. Participants from the mental health field were particularly concerned about developing messages that would reduce the stigma associated with seeking help for mental health needs and with educating the community and professionals about the effects of mental health on physical well-being.

A third area of challenge was responding to the current emphasis on evidence-based best practices. Participants found it hard to locate best practice models validated through research that specifically focus on delivering care and services to ethnic and minority populations, with faith-based organizations indicating particular difficulties in this area. They felt that a good alternative was to prove that their own models and approaches work well but indicated that it was difficult for small nonprofits to put together research to demonstrate scientifically that what they do is effective.

4.7. Specific technical assistance needs

Participants were given the opportunity to describe their specific technical assistance needs in several areas. The needs are described in the following sections.

4.7.1. Strategic planning

Individuals noted that strategic planning was essential for their organizations but struggled with creating strategic plans on their own and often relied on consultants to help guide the process. They indicated needing help in identifying appropriate consultants but were concerned about the costs of having someone help develop the strategic plan and also about the funding to carry it out.

4.7.2. Financial planning

Participants often outsourced the financial management of their organizations because of a lack of expertise and the technology to support certain budgeting software. This was another area in which they needed help with identifying consultants and developing contracts that used good business practices. In addition to generic needs with regard to financial management, many comments in this area had to do with the preparation of grant budgets. A few participants indicated they had questions about budgets, but they were fearful of asking the funding organization because they did not want their inexperience to show. While many indicated that training in this area would be helpful, they felt that individualized technical assistance or linkage with a mentor would be better forms of assistance.

4.7.3. Program evaluation

Results in respect to outcome-based evaluation were mixed. It was clear that focus group participants understood program evaluation to refer primarily to outcomes measurement. Some participants did not rate this as an area of high need because they contract with external consultants to provide it. This group also tended to believe that resources to assist with program evaluation were plentiful, given the number of higher education institutions in their areas and that their biggest need was understanding how to develop contracts with evaluators, including how to disengage from services when performance was unsatisfactory. However, whether or not they used external evaluators, when prioritizing their technical assistance needs, the majority of participants ranked this area as their second highest need and specifically indicated their desire for assistance in better understanding program evaluation, particularly in the following areas: understanding the language of an evaluator; understanding the expectations of funding organizations; finding an evaluator who will not “talk down” to you; measurement tools, especially standardized disease prevention measures; differences between process and outcome evaluation; record keeping; data tracking; and measuring more global activities such as public awareness campaigns.

4.7.4. Governance and succession planning

Discussions about governance focused on the area of board leadership. Board leadership was identified earlier as a predominant theme in key factors for sustainability. Specific technical assistance needs in this area included training for board members on roles and responsibilities, recruiting board members with genuine commitment (reflected in regular attendance at meetings and active involvement in advocacy), fund-raising, and working with boards to establish realistic expectations as to what a limited number of staff and volunteer could reasonably accomplish. Participating organizations felt that assistance in succession planning was needed in the form of written guidance or training that would lead them through a process of proactive planning and cross-training to prepare them for staff changes at the director and senior staff member levels. Although recognized as a need, this area was frequently put on a back burner due to the more pressing day-to-day survival challenges.

4.7.5. Human resource management

Outstanding in the discussion of human resource management was the “one man show” phenomenon. Executive directors and staff of small organizations have to wear many hats. Their varied and far-ranging job responsibilities make it difficult to create training programs that cover all the organization's staff development needs. Participants noted that model employee manuals would be helpful, with sample policies on leave, employee discipline, sexual harassment, EEO, and related matters. Organizations providing services for speakers of other languages also thought it would be helpful to have training around certifying staff to provide interpreter services.

4.7.6. Use of technology

Individuals reported challenges with keeping pace technologically and indicated training needs in maintaining hardware, networking, and use of specific software, such as accounting programs and Power Point. Many participants acknowledged good programs in place that allow for “hand-me-down” computers, but this practice often results in different platforms and software packages that make managing the technology cumbersome and networking the computers nearly impossible. They voiced frustration that funding sources seemed unwilling to provide resources for technology upgrades and they lacked the resources to manage this on their own. They also indicated critical needs in the area of technology support services; they could not easily support this function in-house and struggle with paying outside consultants to provide it.

4.7.7. Priority areas and payment for technical assistance needs

It was clear from focus group discussions that participants considered grant development (researching funding sources and grant writing) as their number one priority. Virtually all of the participants talked about grant funding in their discussion of key factors in sustainability and key challenges impacting delivering their missions. Organizations were also asked to select their top three technical assistance needs in the categories of succession planning, program evaluation, governance, technology use, and financial planning. In these categories, participants ranked program evaluation, human resource management, and financial
planning as their top three needs. However, only five participants indicated that their organizations would be willing or able to pay for technical assistance in program evaluation, and only two for human resource management. None of the organizations indicated they would be willing to pay for services in the financial management/budgeting area. Based on the participants’ comments, this was more a matter of being unable rather than unwilling to pay for these services.

4.7.8. Methods of providing technical assistance

The best support for organizations would involve a multi-method delivery system. Workshops, individual consultation, training opportunities, and on-line information were among the ways participants felt their organizations could be best served. Specific suggestions centered on a website that would provide postings of information about housing, job, and training opportunities as well as a forum for inter-organizational communication. Other suggested website content included information on best practice models, grant opportunities, and needs assessments at state, regional, or local levels. The latter was viewed as particularly valuable for program planning and for the preparation of the needs statement sections of grant proposals.

Individuals suggested train-the-trainer types of workshops so that organizations could develop expertise within their own organization and share these resources with others. Several participants suggested that peer training would be a potentially effective, relevant, and practical means of technical assistance. They noted that peer agencies have a similar philosophical orientation and would have a better understanding of the resource constraints and staffing challenges than some “outsiders” might have. Participants identified “cyberspace” and centrally located sessions within the state as the best sites for training but would also appreciate the occasional regional workshop for reasons of convenience and cost. They also favored one-to-one technical assistance on site at their agencies as the best location for individualized support.

5. Discussion

The focus groups served as an important supplement to the telephone survey and both approaches generated important and complementary information. For example, the telephone survey indicated greater capacity-building needs and more interest in participating in technical assistance activities among organizations with smaller budgets. The focus groups provided an in-depth understanding of the capacity-building needs and provided recommendations on the best delivery system for providing technical assistance services as well as specific suggestions on content needed in web-based venues.

In general, there was good consistency between the telephone survey results and the focus group discussions regarding ranking the priority of capacity-building needs. However, the focus groups expanded considerably on the survey topics. For example, the chief capacity-building needs of participating organizations was in revenue-enhancing activities, with training in researching funding sources and grant writing emerging as the top-rated technical assistance needs. The telephone survey identified creating fund-raising plans as the third highest priority. While this, too, was an important theme of the focus group discussions, technical assistance needs in this area did not include training on traditional fund-raising approaches. Instead, they centered on what one participant described as “cutting edge” survival strategies such as establishing small business ventures for ongoing revenue streams not dependent on the uncertainties of grants or donations.

The organizational characteristics of the focus group and telephone survey agencies differed in one important way. Among the focus group agencies there was a much higher proportion of small agencies with extremely limited budgets (under $100,000) — 45.9% in this sample compared to 13.7% of the telephone survey sample. As a result, the focus group discussions painted a more challenging picture of capacity building among larger and smaller organizations. However, the profile of focus group participants substantiates the finding in the telephone survey that organizations with smaller budgets have more significant technical assistance needs than those of larger organizations. It may also be that smaller organizations with strained resources were overrepresented in the focus group sample because they simply perceive a stronger need to get their voices heard to make sure that their capacity-building needs are understood.

Participants in the focus groups placed a higher priority on technical assistance in the area of program evaluation than did telephone survey respondents who ranked it eighth. This may have been due to the smaller size and budget of the agencies participating in the focus groups. Few of them were able to hire staff members with this expertise and had difficulty securing funding to use outside program evaluation consultants. However, they have the same accountability to funding organizations as larger organizations and so may need to have a better personal understanding of how to meet this critical requirement since it is a responsibility they themselves may have to shoulder.

Similarly, board recruitment and training were ranked as lower priority by telephone survey participants but was a frequently discussed need by focus group participants. Again these discussions may be another reflection of agency size. The challenges associated with attracting high-quality board members may be greater for smaller nonprofits than for “name” organizations where board membership may be seen as more prestigious.

Perhaps the clearest conclusion from this research is that community organizations providing health services to the state’s minority ethnic populations face significant challenges in maintaining vitality and ensuring the effectiveness of their organizations. It is equally clear that the majority of these organizations are receptive to receiving capacity-building technical assistance services to move them in that direction. Although assistance with increasing income and achieving financial stability is their highest priority, there are a variety of other critical needs in the areas of strategic planning, financial and accounting management, human resource allocations and management, governance board recruitment and training, and program evaluation. Unfortunately, both the telephone survey and focus group results indicated that the cost of assistance in these areas is a significant barrier to receiving these needed services. Cost is broadly defined here to include travel and time off from work for small staff organizations as well as associated consultant or trainer fees.

6. Implications and recommendations

This research has implications for funding organizations, service planning groups, organizations created to provide capacity-building technical assistance to nonprofit organizations, and researchers who monitor and evaluate the services of community-based agencies. Though particularly pertinent to organizations focused on serving the needs of minority populations, these results do speak to the broader human services sector as well.
First, a focused needs assessment of local nonprofit organizations, particularly assessments that include qualitative methods, can provide critical information on designing the most needed and relevant capacity-building programs. For example, in this study, we did not anticipate the interest expressed in organizational mergers and small business ventures as survival strategies and would not likely have included these topics in a capacity-building agenda.

Second, the planning of capacity-building opportunities must be done with cost considerations in mind. Certainly, most of the organizations participating in this study would value funding support that would allow them to take part in capacity-building programs at reduced cost or even no cost. Participants in this research themselves suggested alternatives that would minimize cost, including peer training models, on-line resources, and the provision of information packets in a variety of areas such as model human resource manuals. Other cost-saving measures might include development of training alliances among nonprofit organizations so that larger-scale trainings could be offered that would lower individual registration fees. Despite a strong desire for technical assistance many entities will need resource assistance if there is an expectation for payment. Nonprofit organizations are more in need of technical assistance yet have more limited ability to pay for such services compared to their public sector counterparts.

Third, organizations that need individual capacity-building technical assistance may lack knowledge in how to access consultants with appropriate expertise. It would be helpful for funding agencies and other organizations to develop resources such as a listing of capacity-building consultants, with contact information and area of expertise. Web-based resources might provide easy access to information on capacity-building resource programs; for example, the Philanthropic Capacity Resource Database of the Human Interaction Research Institute provides listings, descriptions, and links to capacity-building programs carried out by US foundations (http://www.humaninteract.org/reports/pcbrdatabase.asp). For organizations serving ethnic minority consumers, it would be especially important to identify consultants with experience in working with ethnic organizations in targeted communities.

Last, this research strongly indicates that entities need assistance with revenue-enhancing activities. In particular, grant writing support is a high priority need that is unlikely to be met with a “one shot” brief training program. Organizations need intensive training that includes hands-on practice in narrative and budget preparation, suggestions on organizing writing teams, guidance on interpreting Requests for Proposals and interactions with funding organizations, and a bank of model proposals to different funding sources. Individualized technical assistance on specific proposals as they are being prepared would be an ideal although perhaps less feasible form of support. Suggested on-line support might include information on how to carry out funding source research, postings of grant opportunities, and links to resources that help develop proposal writing skills.

The present research illustrates an approach for assessing the capacity-building needs of a domain of nonprofit service entities, in this case focused on the field of minority health. Most of the findings likely translate well to other arenas of service with a dominant presence of nonprofit entities. Such an assessment allows for a better understanding of the needs of these entities, as well as a sense of how to prioritize in terms of substantive content and delivery mechanisms to best meet these articulated needs. Program funders have a keen interest in enhancing the capacity and sustainability of a cadre of high-quality service providers. As such, this sort of information is vital for planning capacity-build activities in an ongoing way.

Acknowledgments

This research was funded through funding from the Ohio Commission on Minority Health to Wright State University (Grant no. MGS07-07). The views represented in the article reflect the opinions of the authors alone.

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