THE CAPACITY CHALLENGES OF NONPROFIT, COMMUNITY-BASED ORGANIZATIONS

By

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ABSTRACT

This mixed method case study explored the capacity challenges of neighbourhood based community centres related to the areas of governance and leadership, program delivery, financial management and human resources. The study involved the examination of three community centres with multi-mandates (i.e., provide programs and services to individuals from pre-school to seniors in the areas of social, educational, recreational and health) and utilized three phases of data collection: 1) surveys with board members; 2) focus groups with all boards and staff; and 3) document review which examined pertinent organizational policies and procedures. Questions were aimed at gaining an understanding of some of the challenges faced by staff and administrators of neighbourhood based community centres, as there a gap in the research in this particular area. Research findings identified a number of related challenges facing non-profit organizations specifically in the areas of funding and staffing and how these challenges impact both day to day operations and longer term sustainability. More research is needed with nonprofit organizations that have these broader mandates and diverse operational challenges, hence greater capacity building challenges.

KEYWORDS: organization capacity, neighbourhood based, structural challenges

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CHAPTER 1: INTRODUCTION

1.1 Background of Study

The purpose of this study was to explore the challenges associated with capacity building in neighborhood based nonprofit community centres. The nonprofit sector is increasingly recognized by the public and government as an important contributor to healthy communities within Canadian society (Steedman & Rabinowicz, 2006). This sector is called upon to provide front-line service delivery in areas of community support, which in the past were often served by government and religious charities. In Canada, the nonprofit sector has approximately 160,000 nonprofit organizations; 80,000 of which are charitable and many more which are not incorporated (Statistics Canada, 2006).

The dynamics of the nonprofit sector have changed considerably over the past decade, as government has pulled back the level of core organizational funding and the role of the church in communities has decreased (Steedman & Rabinowicz, 2006). As the scope of the nonprofit sector and its overall influence grows, so does the organizational capacity challenges it faces. In Canada, an initiative known as The Voluntary Roundtable (VRS) was established in 1995 to bring about collaboration within the nonprofit sector on capacity challenges of common concern. It has given leadership to major initiatives aimed at strengthening the sector's capacity and its relationship with the federal government. It expressed its view on the sector as follows:

> As the Government in Canada searches for new ways to reduce deficits and respond to calls for decentralization, the impact on the voluntary sector continues to grow. Both the Federal and Provincial Governments are discussing a much larger role for voluntary organizations as they withdraw from social and other programs. They believe that volunteer

> groups will be able to fill the gaps left from these cutbacks. It is important to ensure governments have an accurate picture of both the capabilities and limitations of the sector (Voluntary Sector Roundtable on Governance in the Voluntary Sector, 1999, pg. 8).

The nonprofit sector in North America is substantial in terms of the number of organizations, the number of individuals involved, and the sector's economic activity. The sector in Canada is now ranked as the second largest in the world, just behind the Netherlands (Imagine Canada, 2005). As indicated, there are about 160,000 nonprofit organizations in Canada while in the United States, this number is approximately 1.2 million (The Independent Sector, 2001). A Canadian survey indicated that the sector reports totaling 122 billion dollars in income annually (Imagine Canada, 2005). In the United States, nonprofit support has seen a dramatic increase over the years with 50 percent of government social service expenditures now devoted to nonprofit organizations (Lipsky & Smith 1990).

The nonprofit sector also employs many people - in Canada this number is approximately 2 million – most are employed with larger nonprofit organization (Imagine Canada, 2005). The nonprofit sector in the United States also employs significant numbers, with some nonprofits in larger urban areas employing 7 to 10 percent of the overall population in the area (Lipsky & Smith, 1990). These numbers translate to large economic benefits to communities when looking at the direct jobs as part the overall economy.

According to a 2000 Imagine Canada survey, the number of volunteers in the sector is also impressive, with an estimated 6 million volunteers working with nonprofit/volunteer organizations in Canada. The nonprofit sector in the United States is also significant. It is estimated that about 62.8 million people volunteered through or for an organization at least once between September 2009 and September 2010. The volunteer rate in 2010 was similar to the rates observed in 2007 and 2008 (US. Bureau of Labor, 2010). These numbers paint a picture of a sector, which is quite large and economically important to Canada and North America as a whole.

These statistics describe why nonprofit and voluntary organizations have begun to concern themselves with capacity building. Governments, at all levels, are focusing on building the capacity of nonprofits as they recognize their impact on the economy. Capacity building is defined as the ability of a nonprofit organization to fulfill its mandate (Borris, 1999). Capacity building is important to nonprofits because it is beginning to influence how organizations are looking at their policy, planning, and management processes at local and national levels and is one of the core components of community development initiatives (Elton & Ryan, 2002). Capacity building is critical in determining the current state of a nonprofit organization, where the organization wants to be in the future, and most importantly, what skills and resources it needs to get there. Nonprofit organizations, like businesses, need to focus on building the capacity of their organization if they want to maximize their social impact. Both board and staff have to dedicate themselves to raising capacity building to the same level of importance and attention as program development and management, and to think early and often about strengthening the organization, in step with implementing programs (DeVita & Flemming, 2001).

There has been a limited number of empirical peer-reviewed research studies conducted on capacity building as it relates to nonprofit organizations and public institutions (e.g., Skotnitsky & Ferguson 2005; Sobeck & Mayers, 2007; Stowe & Bar, 2005). Studies have been conducted pertaining to the health sector which examined the impact of strengthening relationships within structures and how they impact health services (e.g., Crisp, Swerissen & Duckett, 2000; Kapucu & Krause, 2007; Kelly & Baker, 2004). For example, Kelly and Baker (2004) examined the relationship between health professionals and patients and found that maintaining positive relationships with clients would result in more effective health care services. Another study looked at building capacity in health care by using volunteers to connect with minority groups in the community to access needs. The study did find that using volunteers to connect with minority groups in the broader community significantly improved their access to health care services (Kapacu & Krause, 2007). Again, the emphasis was on relationship building and how that impacts an individual's ability to obtain critical health services.

Studies have also identified capacity building as it relates to the education system. Many studies specifically have looked at the area of leadership; examining how the leadership approaches of principals and administrators impact the overall performance of schools (e.g., Gilies, 2007; Lambert, 2006; Merrian, 1991). Other research identified the capacity building challenges of small grassroots volunteer organizations (e.g., Smith, 2000; Sobeck, Agius & Mayers, 2007). These studies looked at the challenges associated with these organizations in terms of their ability to mobilize staff and other resources such as funding. The organizations identified in these studies were mandated to serve one particular target group or activity such as a sporting initiative. Other studies examined nonprofit organizations with the focus on the capacity challenges associated with volunteer boards, more specifically, the learning needs of individuals to fulfill their role as board members (e.g., Skotnitsky & Ferguson, 2005). One study, conducted by Stowe and Barr (2005), examined capacity building challenges of nonprofit and voluntary organizations in rural Ontario focusing on various areas of capacity, although the research study was only directed towards organizations in rural locations. This study was particularly relevant to the current study, as it examined the capacity challenges of organizations, looking at a number of organizational elements such as financial management, programming, human resources and leadership.

While there are some studies surrounding the issue of capacity building, there are gaps in this area of research with respect to understanding capacity building challenges in nonprofit organizations. For example, as previously discussed, studies regarding capacity in educational areas tend to only focus on one particular area of capacity such as leadership at the administrative level. A number of capacity areas should be considered in a study which looks at capacity challenges of nonprofit organizations, as nonprofits are multi-dimensional and the areas of capacity are inter-connected. These areas can be, but not limited to: governance, program delivery, finances and funding and human resources.

The capacity challenges of smaller volunteer organizations have also been studied (e.g., Smith, 2000; Sobeck, 2007). While again relevant, these organizations do not have the same capacity challenges as the larger nonprofit organizations that are the focus of the current study. Larger nonprofit organizations have more diverse challenges, as they are responsible to maintain things such as: regular staffing levels; ongoing programming; boards; physical infrastructure upkeep; diversity of the target population; and managing high operational costs.

Finally, the other noticeable gap in the research that provided a rationale for this study was the limited studies that identified capacity challenges of nonprofit organizations with broad based mandates. Many studies focused on organizations and agencies that have a singular mandate such as education, health, or recreation. The community centres in this study have mandates that are broad, directing them to provide programs that reflect many disciplines including health, recreation, social programs and education. Understanding issues of capacity in nonprofit organizations, such as neighbourhood-based community centres, requires an examination of the challenges associated with their broad-reaching mandates. Additionally, many of the capacity studies focused on a singular age group or segment as part of the research. Those concerned with capacity building can benefit from research that reflects the challenges associated faced by nonprofits that serve broad target populations.

1.2 Study Purpose and Significance

The purpose of this study was to explore the challenges associated with capacity building in neighborhood based nonprofit community centres. This study looked at organizational capacity challenges through the examination of key areas of capacity: leadership (governance), program delivery, financial management, and human resources. These key areas of capacity building are consistently identified in the literature as the basic elements of a nonprofit organization (James, 2001; Light & Hubbard, 2004). This study examined the capacity challenges of nonprofit organizations that deliver programs and services at the local neighbourhood level and have broad mandates. Therefore, this study addresses a gap in the research surrounding the capacity building challenges of these types of multi-mandate nonprofit organizations.

This study used a mixed methods case study design to address the central research question: What are the capacity building challenges of nonprofit neighborhood community centres? The sub questions explored as part of this research were: (1) what are the principle challenges facing organizations?; (2) whether challenges are perceived to be unique to a specific organization?; (3) what are the more pressing financial issues faced by organizations?; (4) what are the human resource issues that organizations face?; (5) what are the challenges to organizations with respect to leadership at the staff and board level?; (6) what are the challenges with respect to delivering sustainable programs?; (7) what issues does the organization have when trying to assess ongoing programming needs?; and (8) what are some strategies that the organizations can develop to overcome these capacity challenges?

The study consisted of three data collection phases. The first phase consisted of a survey that was completed by the board and senior staff of the organizations. This survey centered on the areas of capacity as identified in the research: leadership (governance), programming, financial management, and human resource management. Individuals rated their understanding or knowledge of the issues. The second phase involved a document review. As part of the document review, I looked at various documents associated with the organization such as the policy and procedures manuals, constitutions, budgets for the fiscal year, program policies, evaluation documentation and job descriptions. Phase three of the study involved focus groups. Again, the focus groups were conducted with the board and senior staff of the organization. The interview questions focused on the challenges associated with capacity building in the areas of leadership (governance), programming, financial management, and human resource management.

This research is important to organizations that are trying to understand capacity building challenges. Enhanced understanding of these challenges will help organizations to further identify their needs in various areas. This can be critical when trying to lobby funders or other resource providers or help the organizations better articulate their specific organizational needs. Understanding capacity building challenges will allow organizations to specifically identify the areas where capacity building activities are needed.

Finally, this research adds to the body of knowledge related to capacity building, more specifically in organizations that have complex broad-based mandates, such as the ones identified in the current study. Specifically, this study is significant and addresses the gaps in the research on organizational capacity within nonprofits by: (1) Providing a greater understanding of capacity building challenges associated with nonprofit organizations; (2) Examining a number of capacity areas, unlike many studies that only look at one particular area of capacity; (3) Examining community centres that serve a broad target population; and (4) Involving organizations that have multi-mandates. Neighbourhood community centres, unlike many other nonprofits, have a broad mandate which dictates they provide programs and services to individuals from pre-school to seniors in the areas of social, educational, recreational and health. These multi-mandated community organizations present capacity challenges that may be more complex and unique to their specific mandate.

CHAPTER 2: REVIEW OF THE LITERATURE

2.1 Introduction

The nonprofit sector has and continues to play an important role in today's society. The nonprofit sector has a long history of assisting individuals, groups and entire communities by providing programs and services in such areas as: recreation, culture and health. The nonprofit sector has been commonly referred to as the "third sector," behind the public and private sectors. The distinguishing feature of the nonprofit sector is that it does not operate with the purpose of generating profit (Salamon & Anheier, 1997).

> The importance of the nonprofit/voluntary sector has risen over the years as governments continue to download program and service delivery to communities via nonprofit and voluntary organizations. The demands on the sector continue to increase; this is seen in the number of individuals requesting services from existing nonprofit organizations. In many cases these services are being provided by nonprofits with little or no increase in funding from governments to accommodate the persistent demands (Voluntary Sector Roundtable on Governance in the Voluntary Sector, 1999, pg. 8).

This chapter presents the relevant literature related to the capacity challenges of nonprofit organizations. It presents an overview of the sector as well as providing information on the scope of the sector primarily in North America. The chapter also provides some understanding of capacity building as it relates to the nonprofit sector and discuss the capacity challenges in the areas governance and leadership, funding, human resources and program delivery.

2.2 The Scope of the Nonprofit Sector

The nonprofit sector is quite substantial in terms of the number of organizations, economic activity generated, individuals employed and the numbers that volunteer. In

Canada, according to the 2003 National Survey of Nonprofit and Voluntary Organizations, there were about 161,000 nonprofit organizations in Canada. Within the Atlantic Region of Canada alone there are approximately 130,000 nonprofit organizations that account for about 8% of the 161,000 nonprofits in the country. These rates are comparable to other Western countries in terms of the number of nonprofit organization per capita. For example, there were about 1.2 million independent sector organizations in the United States in 1998 (The Independent Sector, 2001).

The nonprofit sector is extremely important in North America in terms of revenue generated. A Canadian survey reported revenues from nonprofit organizations totaled 112 billion dollars. In Atlantic Canada, the total annual revenue is estimated at approximately 6 billion dollars (Imagine Canada, 2005). With respect to government commitment, this survey identified that 49% of the revenues nonprofits received came from governments at various levels. The remaining budget came from a combination of private, business and personal sources (Imagine Canada, 2005). In the Unites States support for nonprofit organizations has expanded dramatically in the last twenty years. In 1990, it was estimated that over 50 percent of U.S. federal social services expenditures were devoted to nonprofit organizations; in 1960, there was virtually none that went to such a source (Lipsky & Smith, 1990).

Not only does the nonprofit sector generate a large amount of revenue but it also contributes significantly to employment. In Canada, the sector employs over 2 million people on an annual basis (Imagine Canada, 2005). Paid employees are very heavily concentrated within larger nonprofit organizations. Nearly half (46%) of the paid employees are employed with 1% of the organizations that have revenues exceeding 10 million dollars. In contrast, 42% of the organizations that have revenues under $30,000 employ 1% of the staff. In Atlantic Canada, there are approximately 83,000 individuals employed by the sector (Imagine Canada, 2005). Since 1984, charitable organizations generated 9.5% of employment (paid and volunteer) (Hodgkinson & Weitzman, 1986). Nonprofit organizations are also important to employment opportunities within local geographic regions. For example, a 1986 study of nonprofit organizations in the St. Louis, Missouri (US) region showed that there were over 2,500 nonprofit organizations within the area. It was shown the eighty five thousand people, or seven percent of the local workforce, were employed with these agencies (Lipsky & Smith, 1990).

The overall volunteer commitment in the sector is also quite large. In Canada, according to a 2000 National Survey of Giving, it is estimated that there are about 6 million volunteers involved in the sector, contributing an average of 162 hours each during the year (Imagine Canada, 2005). Among nonprofit organizations, 54% were run solely by volunteers, as they have no paid staff. In many cases, most of the volunteers were concentrated with larger nonprofit organizations (Imagine Canada, 2005). The study previously discussed within the St. Louis region indicated that almost half the adult population, approximately 900,000, had been volunteers at one time in nonprofit organizations (Lipsky & Smith, 1990). It is also shown that the average value of volunteer time in the United States in 2005 was $18.04 USD per hour (The Independent Sector, 2001). Volunteers benefit these nonprofit organizations by: improving the quality of life of people and communities; improving the sustainability of organizations; and helping organizations do what they do and reducing reliance on government support (The Independent Sector, 2001).

Nonprofit organizations also vary with respect to their scope and mandate. In terms of the type of organizations that comprise the sector, recreation and sport associations are the most common type of nonprofit organizations, accounting for 21% of the sector; followed by religious organizations (19%) (Imagine Canada, 2005). Within Atlantic Canada the opposite trend occurs – religious organizations are the most common type of nonprofit, followed by sport and recreation organizations (Imagine Canada, 2005). Based on a 2005 Statistics Canada report, in terms of the people aided by these organizations, these nonprofits had memberships of 139 million. In Atlantic Canada that number was 3.4 million (Imagine Canada, 2006). These numbers are greater than the population base so it would suggest individuals belonged to a number of organizations. The community centres identified as part of the current study serve approximately 25,000 users per year (Newfoundland and Labrador Housing, 2011). In the US, the United Way campaign heralds the number of people they serve, with the America Public Welfare Association indicating that 633,000 individuals received services through Government Social Service Block Grants (Lipsky & Smith, 1990). Thus, it is evident that nonprofit organizations provide many important services to individuals and the public.

These trends within the nonprofit sector are not just seen within North America but can also be found in countries with similar government structures. Economically, the nonprofit sector in the Netherlands is a 60 billion industry or 15 percent of the Gross Domestic Product. It is also a major employer, which includes 653,000 full time equivalent paid workers. This represents 12.6 percent of all nonagricultural workers in the country, 28 percent of service employment and the equivalent of nine-tenths of the government employment at all levels –federal, state and municipal (Burger, Dekker, Toepler, Helmut, Anheier & Salamon, 1999). In terms of volunteers, in 1995 a survey of the Dutch population reported that they contribute 30 to 50 percent of their time to volunteer activities which equated to about 390,000 full time jobs. The inclusion of religious activities would increase that number by another 35000 jobs. When looking at revenues sources of these nonprofits, philanthropy only accounted for 2.7 of that revenue; this increased to 24.1 percent with the inclusion of volunteers (Burger & Veldheer, 2001).

The impact of volunteers within Australia is also similar. In 2000 the sector reported that 3.7 million Australians volunteered a total of 600 million hours with nonprofit organizations. The volunteer work represented the equivalent of 8.9 billion dollars of income in the nonprofit sector and reports from 1999/2000 indicated that 58% of the revenue from the sector came from the sale of goods and services, 30% from government and 9% from households. This sector is quite large and is comparable to the nonprofit sector of the United States and Canada. Economically, in 1999/2000 there were 35,000 Australian organizations that employed staff, which totaled about 604,000 people. This number represents about 6.8% of the total people employed in the overall workforce. Total income was 33.5 billion and contributed 21 billion or 3.3% to the Gross National Product. This contribution was larger than that in the communications industry and about equal to that of the agricultural industry (Australian Centre for Cooperative Research and Development, 2006).

These trends and facts illustrate how encompassing and critical the nonprofit sector is to society. The nonprofit sector is important to society, not only due to the programs and services it provides, but also in terms of revenue and employment generated. Thus, nonprofit organizations have to be concerned with capacity building as a means to ensure sustainability and growth.

2.3 Capacity Building

The statistics previously identified demonstrate how substantial the nonprofit sector is and why many are concerning themselves with what is known as capacity building. Capacity building is neither a new term nor is it a new approach. However, in the world of globalization and interconnected complex social changes, community capacity building has taken on a new dimension (Nelson, 1996; Nelson & Zadek, 2000). The term capacity building is generally defined as the ability of a nonprofit organization to fulfill its mandate in an effective manner (Borris, 1999). However, there are many ways to define capacity building. A dictionary definition of capacity refers to the "ability or power to contain, absorb or hold the ability to understand or learn, the ability to do or produce" (The Collins English Dictionary 2009, p. 239). Capacity describes a wide range of capabilities, knowledge and resources required to effectively produce an outcome, whether it is at a micro level such as a program or service or at a macro level such as the implementation of an organizational or governmental strategic plan. Capacity is multi-faceted and continually evolving (Connolly & Lukas, 2002).

Capacity building is increasingly defining new approaches to organizational policy, planning and management processes at local and national levels. It has been identified as a core component to community development initiatives (Elton & Ryan, 2002). In theory, capacity building is designed to change some aspect of the organization's existing environment, leadership and management structure. This in turn should improve employee morale, expertise and productivity, which in turn should increase the organization's performance (Light, 2004).

Capacity building seeks to improve the performance of work units and the organization as a whole. It is defined as a system - wide planning effort to increase the performance of the organization through reflection, planning and implementation. More specifically, it looks at where the organization is, where it wants to be and the skills and resources it needs to get there. The ultimate goal of capacity building is to enable the organization to grow stronger in achieving its purpose and mission (Rickett, 2000). The following section discusses what are considered the objectives of capacity building.

2.3.1 Objectives of Capacity Building

Outside of defining capacity building research has identified what are considered the objectives of capacity building. The simple objective of capacity building is to improve the potential performance of the organization as reflected in its resources and its management (Horton, 2003). According to the United Way of Peel, Ontario (2001) the objectives of capacity building are to: 1) help organizations to clearly fulfill their mandate; 2) improve the overall governance of the organization; 3) help in the delivery of more effective programs and services that respond to needs in a timely fashion; 4) ensure accountability to funders, the members, and the communities in which they serve; and 5) to provide a fair and supportive environment for the staff and volunteers. They also indicate that capacity building is about strengthening the organization to: 1) become a learning organization; 2) demonstrate and improve leadership within the organization; 3) work in a more collaborative fashion with their stakeholders; 4) demonstrate effective teamwork; and 5) demonstrate a strong community orientation based on a clear vision and mission. Cairns, Harris and Young (2005) identify the objectives of capacity building as a means to: 1) please government funders; 2) deliver public services more efficiently; 3) ensure survival of the organization; and 4) empower staff and volunteers.

Research also identifies that capacity building is a concept relevant to many fields and disciplines. From an individual health perspective, capacity building is aimed to "increase the self-sustaining ability of people to recognize, analyze and solve their problems by more effectively controlling and using their own and external resources" (de Graaf, 1998, p.8). From the perspective of a for-profit business community partner, the objective of capacity building is twofold: 1) to improve the internal weakness of the organization by building on existing strengths; and 2) to aid organizations to meet the challenges of a rapidly changing external environment in order to serve their communities (James 2001).

A fundamental element of capacity building should be to build the capacity of the organization to meet the many demands of change (Milen, 2001). In this way, capacity building is very multidimensional and ongoing process of enhancing and improving upon what already exists (Mitchell, 2000). Capacity building initiatives must be context specific; that is, they must be specific to the economic, political and social context. Therefore, capacity building interventions must be tailored to fit the cultural, political, historical and economic context of the individual organization (Mentz, 1997; Public Relations Institute of Australia, 2001). For example, the capacity building interventions or strategies will be different in a community based nonprofit organization serving a smaller target group versus that of a provincial nonprofit organization serving a broader geographic. Financial capacity strategies, as an example, will appear quite different for these two types of organizations because funding challenges and opportunities will defer due to size, mandate and profile in the community.

2.4 Capacity Building in the Nonprofit Sector

Nonprofit organizations play an increasingly important role in our society, so it becomes even more critical for them to perform effectively through building capacity (Salamon & Anheier, 1997). In response, nonprofit mangers have to demonstrate a growing interest in management practices and principles that will help them build high performance organizations rather than just strong programs. Traditional foundations and philanthropists have also acknowledged a commitment to the need to build capacity in nonprofit organizations (McKinsey & Company, 2001).

Despite the critical importance of capacity building to all organizations and the significance of nonprofit organizations, capacity building is one of the most fashionable, yet still least understood, terms in the nonprofit sector today (Light & Hubbard, 2004). Capacity building as it relates to the nonprofit sector is defined as the ability of nonprofit organizations to fulfill their mission in an effective manner (Boris, 1999) or as Schuh and Leviton (2006) define it as: the ability to successfully implement and complete a new project or to expand and an existing one successfully. Nonprofit organizational capacity building is for the most part consumed with mission and mandate related activities (Hudson, 2005; Letts, Ryan, & Grossman, 1999; Light, 2004). Capacity building is a very well-known and expansive term; sometimes so commonly used that the term has little meaning to professionals making specific decisions about program and funding strategies.

As a result everyone from practitioners to CEO's are calling for a more increased attention to the capacity building as it relates to nonprofit organizations (McKinsey & Company, 2001).

Capacity building in nonprofit organizations is not about creating unnecessary bureaucracy; rather it is about building organizations that have an impact to make sustainable change with respect to issues on our society (Hudson, 2005). For nonprofit capacity to be effective it is essential to have: full engagement of the staff and board; planning; outside support; and objective measures (DeVita & Fleming, 2001; Kinsey, Raker, & Wagner, 2003; Light, 2004; McKinsey & Company, 2001). Capacity building also requires a strong engagement with various partners. These partners include governments at various levels, businesses and other nonprofit organizations. Creating an effective nonprofit organization can be very challenging without these partnerships or other collaborative efforts (Hudson, 2005; Kinsey & Rather, 2003; Letts et al., 1999). Partnerships and collaboration as a key element to capacity building will be examined in more detail later in this chapter.

There has been some but a limited number of research studies conducted on capacity building as it relates to nonprofit organizations and public institutions (e.g., Stowe & Barr, 2005). Capacity building as it relates to the education system has also been studied (e.g. Day, 2007; Gilies, 2007; Lambert, 2006; Merrian, 1991). The majority of the studies within the education sector were related to the area of leadership as a means to build capacity. Many studies have examined the capacity of organizations within the health sector (e.g., Hoyle, Samek & Valois, 2008; Kapacu & Krause, 2007; Kelly, Baker, Williams & Haire-Joshu, 2004). Many of the studies focused on improving capacity by enhancing the means by which individuals work together within the system (Kapucu et al., 2007; Kelly et al., 2004). For example, Kelly et al. (2004) conducted a study designed with the purpose of identifying organizational capacity variables that influenced the delivery of a dietary change program. Agencies in the study reported the importance of maintaining a positive relationship with clients as a means to ensure that programs were implementated more effectively. Health professionals indicated that high levels of trust allowed them to work much more collaboratively and effectively with families. Another health study examined the capacity of a volunteer program with participants from a minority population who worked with other minority populations who had health problems in Central Florida (Kapucu et al., 2007). The aim was to see if the volunteers were able to help minority groups access health services more effectively. These studies did a good job in highlighting the impact that health services can have on a population as a result of building relationships and maintaining personal connections. Partnerships and social connections to enhance the ability of health organizations to build capacity is a new perspective on how to improve health services. Again these articles only focused on the health mandated agencies and were limited in scope as they only addressed one area of capacity.

The capacity building challenges of volunteer organizations has also been studied primarily in terms of their ability to mobilize resources (e.g., Sharp, 2006; Smith, 2000; Sobeck, Agius & Mayers, 2007). Volunteer organizations are defined as ones that have little or no paid staff and a small amount of financial resources (Smith, 2000). This area of research tends to focus on small grassroots volunteer organizations that are related to sport and recreation. Many of the studies identified in this area were qualitative, using case study methodology to look at capacity building challenges. For example, one article used a case study approach to examine how the quality of experience in a sports organization was affected by the organization's capacity to mobilize human, financial and structural resources to fulfill its mission (Sharpe, 2006). Sobeck et al. (2007) used a case study approach as well to examine the effectiveness and outcomes of a model of capacity building that was implemented within small grassroots youth organizations in Detroit. Similar to the studies in the education field, the research but was also limited because the studies only focused on smaller grassroots organizations that serve a specific age group. These organizations do not have the same capacity challenges as larger volunteer or nonprofit organizations that are responsible for maintaining things such as: regular staffing levels; ongoing programming; boards; physical infrastructures; diversity of the target population; and high operational costs.

Specific areas of capacity unique to nonprofits have also been examined. For example, Skotnitsky and Ferguson (2005) examined nonprofit organizations with the focus on the capacity challenges associated with volunteer boards. Lack of research on capacity issues surrounding nonprofits may be due to the complexity of nonprofits in terms of their vision, mission and mandates as well as lack of research funding for the study of nonprofits in general.

Despite the existing challenges in the nonprofit sector and the lack of research to aid in addressing these challenges, the public demands efficiency and effectiveness from nonprofit organizations. Capacity building promises to increase organizational capacity, which in turn can produce effectiveness within nonprofit organizations. The renewal of capacity building initiatives in programs and projects is "very much a necessity for sustainable effectiveness" (Light, 2004, p.10). Capacity building involves strengthening the basic areas of nonprofit organizations -- those areas which are necessary for sustainable organizational effectiveness as mentioned by Light (2004). These areas include, but are not limited to: fundraising, partnerships, leadership, financial management and outreach.

2.4.1 Areas of Capacity Building

The nonprofit sector encompasses a wide range of organizations including hospitals, universities, museums, dance theatres, art galleries, community centres and childcare centres. Some of these groups are quite large, with multi-million dollar budgets; others are small with one or two person operations, dealing with a singular issue. Due to this diversity, the needs and ability to build future capacity will vary from organization to organization (Urban Institute, 2001). Nonprofit organization models and systems, particularly at the local level, are fluid, loosely structured and ever changing; making it difficult to generalize about effective capacity building as it relates to the basic elements of nonprofit organizations (Milofsky, 1998).

A number of key areas of capacity building in nonprofits are identified within the literature. These areas vary depending on the research concerning capacity building or the disciplines that are concerned with capacity building. The following describes in greater detail the more commonly identified areas of capacity building or as some of the research identifies as the core components of capacity building: (1) governance and leadership; (2) program delivery; (3) financial resources and management; and (4) human resources.

Governance and Leadership

Organizations' boards of directors are engaged and representative, with defined governance practices (e.g., the proper board policies and legal by-laws which are used to govern the organization). The board effectively oversees the policies, programs and organizational operations including a review of achievement of strategic goals, finance and the performance of the executive director. Organizations should be effective at recruiting, training and retaining the appropriate staff and technical resources. Leadership is an essential element for an effective organization. Leaders are engaged in what is happening in the organization and the changing environment in which it operates (Connolly & Lukas, 2002). Organizations' missions, visions and goals are closely related to leadership; leaders articulate the purpose and direction of the organization and bring together the resources and mechanisms to make it happen.

Leadership impacts capacity building in several ways including having a spillover effect within the organization. For example, leaders can inspire others to work harder, be committed to the vision and be motivated to carry out the work of the organization to its fullest extent. Good leadership can facilitate the acquisition and development of resources and it can enhance the organization's outreach activities. For example, creating partnership opportunities with other organizations can strengthen programs and services by bringing in additional resources such as funding and new volunteers. Effective leaders enhance the organization's image, prestige and reputation in the community. They are instruments in establishing partnerships and other relationships necessary for the organization to achieve its goals (Connolly & Lukas, 2002).

Strong leaders can make the difference between success and failure of programs and services. They set the standard for organizational performance with respect to the programs and services. According to Bernstein (1997, p. 14), good leaders "insist on excellence in the organization's performance and reject complacency and rigidity. They have the vision and are flexible about the possibility of change, yet realistic and practical when considering its feasibility." To strengthen the capacity of an organization, leadership is critical.

There are several ways that the leadership of nonprofit boards can be enhanced including education and understanding of the organization; board development; and information and communication (Oss, 2003). It is important that the directors of organizations are knowledgeable about the organization they are involved in. Directors need to understand who they are serving and how they want programs delivered. They should periodically meet with the target group which they serve and see for themselves if the programs and services expectations are being met (Oss, 2003). Investment in continuous board development for new and existing board members is also important for effective leadership. It is not sufficient to simply provide a Board of Director's handbook to board members; the organization should invest in continuous board development on a range of relevant topics that can include effective governance, strategic planning and performance management (Oss, 2003). Finally, it is essential to ensure that the board receives the information required to effectively perform its roles and duties. Boards cannot make good decisions without the proper information (Oss, 2003). This can be achieved by circulating essential information (e.g., meeting minutes; board reports) to the board in a timely fashion. Keeping the board informed will also build trust between the

Executive Director and the Board, as well as between the board members themselves. These are just some ways in which boards can be strengthened in order to build the capacity of an organization.

Research within this area has examined many aspects of board governance, leadership and training in nonprofit organizations. Research has examined effective board practices as it relates to maintaining an effective nonprofit organization (Vita & Fleming, 2001). The importance of board succession planning and the need for training as part of developing and maintaining an effective board are also widely examined (Oss, 2003). Other literature in this area examines leadership and training issues of local volunteer boards as a function of boards operations (Skotnitsky & Ferguson, 2005). There is also a number of research articles and literature examining the challenges associated with measuring the performance of nonprofit boards to ensure effectiveness (Oss, 2003). Board leadership and governance is an element of nonprofit organizations that is critical to organizational success and can present major challenges to the capacity of organizations.

Studies examining leadership as an area of organizational capacity have been conducted primarily within the field of education (i.e., Day, 2007; Gilies, 2007; Lambert, 2006; Merrian, 1991). Day (2007) studied the efforts of four principles and their role as administrators in building capacity within disadvantaged schools. The study examined how the principals built capacity within the schools by: creating a vision which all school participants could buy into; providing opportunities for regular teacher input; establishing proper security; and creating discipline policies appropriate for all stakeholders. Similarly, Giles (2007) examined successful school leaders and their efforts to build capacity in three challenging schools. The results of the study concluded that the principals' ability to exert both pressure and support between the structure and the agency were key to facilitating capacity building through organizational learning. Skotnitsky and Ferguson (2005) presented an adult education approach to community development with board members of a nonprofit childcare centre, family resource, and women's centres serving low income neighbourhoods. Through workshops and focus groups the researcher explored the learning resource needs of 25 inner city board volunteers using an experiential model of learning. This interactive approach validated cultural and gender difference as it related to styles of governance (Skotnitsky & Ferguson, 2005). Further, empirical research is needed to examine capacity issues of nonprofit organizations as they relate to governance and leadership as the current body of research has focused on organizations with a single mandate (i.e., education), focused on organization with a narrow target population (e.g., children), and have not sufficiently examined governance and leadership as it relates to other organizational elements of capacity building (e.g., financial management, human resources, programming).

Program Delivery and Impact

An organization operates programs that demonstrate tangible outcomes that commensurate with the resources invested. Programs that are of high quality are well regarded. It is best practice for organizations to have formal mechanisms for assessing internal and external factors that affect achievement of goals. Organizations should utilize results from program evaluation to inform strategic goals (Connolly & Lukas, 2002).

The programs of nonprofit organizations are increasingly scrutinized by funders as to whether they are meeting the needs or producing the desired outcomes (Lipsky & Smith, 1990). Funders and community leaders want to know how well programs or services are working and what they are accomplishing. Typically, nonprofit organizations have measured outputs for the programs and services they delivery. Outputs include factors such as the number of older adults served, home visits or youth completing a job search workshop. However there has been a move to measure outcomes rather than just outputs (Lipsky & Smith, 1990). Outcomes are more qualitative than outputs and are aimed at measuring how the program has produced benefits and/or changes. For example, one might measure if a particular program has increased the safety of a neighbourhood or whether a program provided better educational opportunities. Nonprofits have certainly been more adept at measuring outputs rather than outcomes; but this is slowly changing due to increased demands for outcome measurement. New requirements by government and other funders have increased the pressure for nonprofit organizations to demonstrate outcomes rather than outputs (Urban Institute, 2001). Four areas of management reform that are placing pressure on various nonprofit organizations are: (1) government regulations that are focused on increased operating standards and codes of professional conduct; (2) government downloading and the focus on strategic alliances; (3) the issue of transparency in their operations; and (4) the focus on a liberal management style, which promotes deregulation and outcome measurements (Light, 2004). When confronted with these pressures to improve many things, a nonprofit organization with very limited resources will sometimes do nothing (Urban Institute 2001).

To respond to these pressures and strengthen program delivery nonprofit organizations can carry out regular program evaluation (McNamara, 2008). Evaluation helps make decisions about programs or some aspect of the program to ensure that it meets the needs of the target group or fits with the mandate and mission of the organization. Program evaluation can help in measuring the outcomes of programs as is identified as a requirement of many funders. It can improve the delivery mechanisms of programs to ensure that they are being cost effective for the organization. Finally, evaluation can produce the data or verify results that can be used for public relations and promoting the services of the organization. Overall the evaluation process increases capacity by ensuring the organization is focused on its mission and ensuring that the programs are meeting the needs of the group in the most cost effective manner (McNamara, 2008).

Programming is identified as an essential area of capacity. Literature and research surrounding program delivery discuss the need to have an effective needs assessment process in place so as to ensure that programs and services reflect the needs of the target population (Zimmerman et al., 2003). Also identified is the importance of program evaluation: why it is needed and what kind of evaluation to use depending on the type programming (McNamara, 2008). Literature in this area also identifies the importance of evaluation in order to ensure that the goals and objectives of programs and services reflect the mission or mandate of the organization (Connolly & Lukas, 2002). Other research articles discuss the impact of fiscal cutbacks and downsizing of government services and the impact this has on the ability of organizations to deliver effective programs (Hall & Reed, 2003; Lipsky & Smith, 1990). Very few empirical studies have been conducted in terms of examining programming as an area of organizational capacity within nonprofit organizations. An exception is a study by Baker, Williams, and Haire-Joshu (2004) who studied the effects of organizational capacity on the delivery and outcomes of health education programs. Further empirical research is needed to examine capacity issues of nonprofit organizations as they relate to programming both in terms of quantity of research as well as the scope of the organization (i.e., multi-mandates).

Financial Resources

Resources are essential to capacity building. Organizations need to successfully secure support from a variety of sources to ensure the organization's revenues are diversified, stable and sufficient for the mission and goals. The resource development plan should be aligned with the mission, long-term goals and strategic direction. The organization should have high visibility with key stakeholders and link a clear strategic message to its resource development purpose (Connolly & Lukas, 2002).

While resources do not have to be extensive, they do have to be managed effectively. The resources of the organization may come in many forms. For example, funding, volunteers, staff and materials and supplies are some of the more common organizational resources. The financial resources may be determined as the most essential for organizations, as they are used to attract staff and other materials needed to allow the organization to function. Traditional capacity building has focused on acquiring more resources (e.g., funding). However, at present, with the current accountability pressures placed on organizations, how the organization uses its resources is also a critical factor (Carman, 2009).

Resources in nonprofits can be maximized to increase capacity by training staff and boards, upgrading technologies and recruiting more volunteers. Technology has greatly increased the ability of nonprofits to be more effective and accountable. For example, financial software has made accounting easier and more efficient and email has reduced multiple calling and scheduling issues. The size of the organization is not necessarily the predictor of how well the organization is managed. There are many organizations that operate with a small budget and staff complement. However, sufficient resources must be devoted to the infrastructure to keep any organization running well. The effective allocation and overall use of the resources available to an organization is the key to its overall long-term success and growth (Urban Institute 2001).

Research in this area has examined the financial challenges of nonprofit organizations. Some of these challenges are a result of government cutbacks at various levels, which impact areas such as staffing levels or program availability (e.g., Steedman & Rabinowicz, 2006). Research has also looked at issues associated with downloading of government services to the sector (e.g., Hall & Reed, 1998) as well as the issues of contracting out services (e.g., Akingbola, 2004). Other research and literature explore the overall implications of cutbacks in funding, through government or other sources, as well as the challenges with inadequate core funds necessary to enhance capacity (e.g., Herman & Heimovics, 1998; Kearns et al., 2014). Very few empirical studies have been conducted in terms of examining financial resources as an area of organizational capacity within nonprofit organizations. An exception is a study by Stowe and Barr (2005) who examined the capacity building challenges of nonprofit and voluntary organizations in rural Ontario, focusing on various areas of capacity. This is one of the few empirical studies to examine a number of organizational elements (i.e., financial management, programming, human resources and leadership). Research is needed to further understand how financial resources impact the capacity of nonprofit organizations.

Human Resources

Human resources are not only about having the proper human resources in terms of quantity and skills but also about how the organization deals with the organizational structure and how the staff and volunteers are able to work through and within this structure. Capacity as it relates to human resources is how the organization creates a working environment that supports staff with training opportunities and guidance. Human resource capacity also refers to the proper policies and procedures in place that guide relations between staff, volunteers and other agencies (United Way of Peel, 2001).

Nonprofit organizations can strengthen their human capacity in several ways (Imagine Canada, 2005). First, they can ensure that staff and volunteers have a very clear job description that outlines the duties that must be undertaken. Secondly, employers can improve working condition to avoid staff burnout; this is especially important with nonprofit employees that typically work long overtime hours without compensation. Thirdly, nonprofit organizations can provide more training and network opportunities to enhance employees' skills and abilities. Fourth, organizations should ensure there are strong human resource management structures in place. Finally, the organization should encourage staff to further their training in the area of human resource management (Imagine Canada, 2005). A review of the literature discusses human resources as a key element of nonprofit organizations operations. The literature and research examines the importance of having recruiting, training and retention plans to ensure quality staff for nonprofit organizations; the same is true for volunteers as they too are an essential component of nonprofit organizations (Ban, Faller & Towers, 2003; Becker, Antuar & Everett, 2011). Research examined the implications of government cutbacks to organizations and the challenges associated with maintaining human resources as a result of financial constraints, specifically operational challenges due to limited human resources (e.g., Sharpe, 2006; Sobeck, Agius & Mayers, 2007). The importance of strategic human resource management is also identified, specifically the need to have appropriate staffing succession planning as a means to ensure effective leadership over the long term (e.g., Santora & Sarros, 2001; Joseph, Santora, Sarros & Esposito, 2014). Few empirical studies have been conducted in terms of examining human resources as an area of organizational capacity within nonprofit organizations (e.g., Kapacu & Krause, 2007; Stedman & Rabinowicz, 2006; Stowe & Barr, 2005). As previously mentioned, Stowe and Barr (2005) examined multiple areas of organizational capacity, including human resources, as it relates to nonprofit and voluntary organizations. Human resources were also an area of organizational capacity examined in a study of small nonprofit minority health agencies in Florida (Stedman & Rabinowicz, 2006). Further empirical research is needed to examine capacity issues of nonprofit organizations as they relate to human resources. This body of research lacks not only quantity of studies but also studies are required which examine larger organizations in terms of size, scope of mandate, and varied target populations served.

2.5 Gaps in the Research and Significance of Current Study

The nonprofit sector plays a significant role in society in terms of the provision of many important programs and services and the prevalence and impact of the sector in terms of the number of organizations, economic activity generated, individuals employed and the numbers of people who volunteer. Capacity building is important to any organization but it is particularly relevant to nonprofit organizations due to their limited resources; when one has limited resources one needs to use those resources as effectively and efficiently as possible. However, despite the importance of the organizational capacity of nonprofits a limited amount of research has been done in this area. Although empirical studies are available, much of the research has been conducted by professionals, as opposed to academics. Therefore, much of the knowledge and information on organizational capacity of nonprofits has been published in books, reports and other writings of general interest and has not been peer reviewed.

Research in this area has also been limited in that many of the studies only feature one area of capacity building such as human capacity or financial capacity (e.g., Hall & Reid, 2003; Wetta-Hall, Oler-Manske & Molgaard, 2004). As identified earlier there is a lot of research identified around capacity building in both the health and education fields; but these studies are generally limited to one area of capacity building such as leadership or the professional/clients relationship and its impact on service delivery (e.g., Kapucu et al., 2007; Kelly et al., 2004; Lambert, 2006; Tena et al., 2008). One study has been conducted which identified broader issues with respect to capacity building in nonprofit organizations. As previously discussed, Stowe and Barr (2005) researched the challenges of capacity building in nonprofit organizations in rural Ontario. The study identified and examined challenges in the areas of financial, human and structural capacity. This study was carried out using in depth interviews and surveys with key informants from various nonprofit organizations (Stowe & Barr, 2005). It is important that other areas of organizations be considered when understanding capacity building such as: funding, human resources, governance and physical structures (Horton, 2003).

The research studies that identify capacity building in the nonprofit sector seem to be concerned with smaller nonprofit or volunteer run organizations (e.g., Sharpe, 2006; Sobeck et al., 2007). Smaller organizations do not have the same capacity challenges as the larger nonprofit organizations. For example, larger organizations often have broader mandates. Another identified gap in the research and probably the most important when providing a rationale for this study is the lack of studies that identified nonprofit organizations that have multi-mandates. For example, most of the research studies looked at organizations that only had a health (e.g., Giles, 2007), education (e.g., Sharpe, 2006) or a recreation (e.g., Kelly et al., 2004) focus. There were no studies that focused on nonprofit community based organizations that concerned themselves with multiple mandates, such as health, education, recreation and social programs combined. In multi-mandated nonprofit organizations, such as the ones examined in the current study, it is difficult to look at just one area of capacity. Typically the areas of capacity in these organizations are very dependent on each other and cannot be studied separately when examining the capacity challenges as a whole. More research is needed with nonprofit organizations that have these broader mandates and diverse operational challenges, hence greater capacity building challenges. The research needs to be more comprehensive and broader so to encompass the many capacity areas that are present and inter-connected in these organizations.

This study used a mixed methods, case study design to examine the capacity building challenges of nonprofit neighbourhood community centres. Specifically, this study is significant and addresses the gaps in the research by: (1) providing a greater understanding of capacity building challenges associated with nonprofit organizations; (2) studies nonprofit organizational challenges by examining a number of capacity areas; (3) examine community centres that serve a broad target population; and (4) involves organizations that have multi-mandates. This research is important to organizations that are trying to understand capacity building challenges during a climate of limited resources.

2.6 Conclusion

The nonprofit sector, as identified in the research, is quite extensive and far reaching. The contribution of the sector is seen in the number of individuals that volunteer with nonprofits, the people that are employed and the overall dollar value to the economy. Because nonprofit organizations play such a vital role, both economically and through the provision of vital community services, researchers and professionals need to be concerned with capacity building. The review of literature has shown that the definition of capacity building can vary depending on the field of study, but within the nonprofit sector it has been defined as the ability of an organization to fulfill its mission. The literature has commonly referred to nonprofit capacity building as “mission driven”.

The research has identified the main areas of capacity building as those that are aligned with what are considered as the core elements of a nonprofit organization's main functions. These include areas such as, but not limited to: board and leadership development, program delivery, and resource development (financial and human). In order for nonprofit organizations to build capacity they need to focus their efforts on carrying out activities that strengthen these individual capacity areas and move the organization towards growth, sustainability and successful execution of their mission.

CHAPTER 3: METHODOLOGY

The purpose of this case study was to explore the challenges associated with capacity in nonprofit community organizations. The study examined the capacity challenges in several key areas of organizational capacity including leadership (governance), program delivery and impact, finances and funding, and human resources. The mixed method approach in this case study included three phases: surveys (Phase One); focus groups (Phase Two); and document review (Phase Three). This chapter will detail the methods of this study including the research design, sampling, data collection and analysis for each phase of the study. Discussion with respect to the role of the researcher as part of the research process is also presented. This study was reviewed and approved by the Interdisciplinary Committee on Ethics in Human Research at Memorial University.

3.1 Sampling

The organizations identified as part of this study were nonprofit, community based, neighbourhood centres. These community centres were established with a mandate to provide social, educational, recreational, and health programs and services in large low income public housing neighbourhoods, of which there are eight (8) throughout Newfoundland and Labrador (NL). These centres operate and deliver programs and services to tenants within the context a community development approach. This approach involves engaging tenants to participate in the governance of the organization, via boards and committees, as well as volunteering with the day-to-day operations of the centre through programs and services. This approach is aimed with the intent to provide tenants with ownership in the centre as well as a sense of personal empowerment (Morris, 2001).

This case study used a purposeful sampling technique to select three (3) Community Centres within the Province: Community Centres A, B and C. Purposeful sampling is used when the researcher wants to select cases with a specific purpose in mind and that have particular features that will enable specific detailed exploration and understanding (Burgess, 1984) such this study where the aim was to examine nonprofit community based organizations with similar mandates, funding regimes, governance structures, organizational philosophy and client target population. Based on a review of the literature, it was evident that research pertaining to capacity building challenges in neighbourhood-based community organizations is limited to organizations that have one specific mandate such as health, education or recreation. The sample to be used in this study represents organizations that have broad based mandates.

To initially recruit the community centres involved in the study, I contacted the identified leaders via email or phone to request their participation and followed up with a formal letter to the Board Chair and Executive Director of each of the organizations identified (Appendix A). All three community centres approached agreed to participate in the study and signed a consent form (Appendix B). Community Centres A and B were both located in St. John’s, NL neighbourhoods. I am currently the Executive Director of Community Centre A and past Executive Director of Community Centre B. Thus I selected these two urban community centres due to my professional working relationship with these organizations in order to provide an insider perspective for the study. This is by no means meant to bias the study but rather to provide a more in-depth examination.

Community Centre C was selected as the third site due to its rural location as there may be certain capacity challenges specific to rural nonprofit organizations.

3.2 Case Study Research Design

This study involved the use of a case study mixed method research design. The case study is strongly associated with qualitative research and is used in a variety of ways (Ritchie & Lewis, 2007). A case study involves the researcher exploring a single entity or phenomenon bounded in time and activity (a program, event, process or organization) and collects information using a variety of collection methods (Merrina, 1988). For the purpose of this research I used a case study approach as it best fits with the nature of the study. In the case study design I examined three community centres within their natural setting. This study examined in detail the context of these organizations, rather than individuals. The study looked at the various perspectives and aspects of the organizations – those primarily associated with the areas of capacity building. Thus, the case study approach best met the purpose of this research. It was also evident that after completing a literature review around capacity building that a case study was the more predominant method used to study capacity of organizations.

This study examined the capacity challenges of organizations, looking at a variety of perspectives and knowledge requiring multiple data collection methods. These multiple collection methods are also considered a particular feature of the case study method (Creswell, 1994). Denzin (1978) used the term triangulation, a term borrowed from navigation and military strategy, to argue for the combination of methodologies in the study of the same phenomenon. The concept of triangulation was based on the assumption that any bias inherent in particular data source, investigators and methods would be neutralized when used in conjunction with other data collection and analysis (Jick, 1979). A combined method study is one in which the researcher uses multiple methods of data collection and analysis. These methods may involve "between methods" drawing on qualitative (i.e., interviews) and quantitative (i.e., survey) data collection procedures (Jick, 1979).

There are advantages of the mixed method approach which were beneficial to this study. First, the mixed method approach allowed me to gain a more in-depth understanding of the capacity challenges that affect nonprofit organizations, as there are many internal and external factors which influence the environment in which nonprofits operate. Second, this approach provided me with stronger evidence for a conclusion through convergence and collaboration of findings. Finally, the mixed method approach complements one set of results with another, expands a set of results, and can reveal results that would have been missed if only a quantitative or a qualitative approach had been used (Johnson, 2004). As part of this study, a mixed method approach involved the use of focus group interviews with board and senior staff members as well a document review of annual reports, board meetings and financial reports (qualitative) and surveys for staff and board members (quantitative).

3.3 Role of the Researcher

In the qualitative research proportion of the study the role of the researcher is very important. The researcher becomes an active player in the development of data and its meaning (Miller & Glassner, 1997). In my role as researcher, I drew from the vast experiences and knowledge of those connected with the organizations involved with this study. As well, I carry with me a broad amount of knowledge with respect to the nonprofit sector and more specifically knowledge of the challenges in organizations such as the ones identified in this study. This experience is reflected in twenty years serving as either Executive Director or Coordinator of nonprofit organizations. In these roles, I have been responsible for overseeing these organizations, from day-to-day operations to setting long-term direction for the organizations. In these leadership roles, fulfilling the mandate of the organization and advancing its cause meant building capacity in the various areas as identified in the research: finance, human resource, governance and leadership, and program delivery. Through my experiences, I gained an in depth understanding of capacity challenges associated with nonprofit community-based organizations and strategies to sustain them. Even in my current position as Executive Director of a nonprofit organization (Centre A) I continue to deal with the capacity challenges that are associated with running a nonprofit organization. I believe that my past and current experiences working with nonprofit organizations were beneficial with respect to this study. My experience in the nonprofit sector has provided me with an in depth understanding of the issues associated with capacity building; this was beneficial in my role of researcher and allowed me to draw very specific information surrounding capacity building.

3.4 Phase One: Surveys

3.4.1 Sample and Data Collection

This study involved the use of a cross-sectional, self-administered survey. The survey allowed me to gather information and perceptions from those working within the organizations. The survey method had several advantages that were important to this study. First, the survey complimented the information gathered from the focus groups and document review. Second, the survey allowed me to ask more specific and standardized questions which were more easily compared.

The surveys involved the use of purposeful sampling which was appropriate as participants chosen for the study were selected with a very specific purpose in mind (Lawrence, 2006). The survey was self-administered and sent out by mail to the Executive Directors of three organizations to be distributed to the participants from three levels of the organizations' management and personnel structures within the organizations: a) Executive Director; b) Director of Programs and Services; and c) members of the Board of Directors. All these levels of leadership are responsible for policy formulation, strategic planning, resource development and program implementation; therefore their input on capacity issues was critical.

The Executive Director for each of the organizations oversees the organization from a day-to-day perspective, as well as carrying out the direction as determined by the board of the directors. They are critical as they are the individuals who are responsible for ensuring the resources are available to the organization, as well as managed in an effective and efficient manner. The Executive Director is the one key individual in the organization who has an in depth knowledge of the organizational capacity challenges. The Director of Programs and Services is another key individual of these organizations. The Program Coordinators are responsible for much of the planning, organizing and implementing of the programs and services within the community centre. They have a very good understanding of the issues and concerns that come into play with delivering programs and services and more specifically the impact of funding and human resources on direct program and service delivery. The Board of Directors is the overall management body and has direct and ultimate responsibility for the staff, funding and overall operation of the centres. This group is essential to the study as they need to be concerned with every aspect of the organization and its operation. More specifically they play a large role in the leadership of the Centre in two ways: (1) they themselves are the leadership team and are responsible to ensure that there is sufficient leadership within their own body; and (2) they are responsible for the leadership of senior staff within the organization. This leadership role is one of the essential areas when looking at the capacity of the organization. It was expected to receive approximately 25-30 surveys returned. Survey data was collected from November 2011- March 2012.

3.4.2 Questionnaire and Data Analysis

The questionnaire used as part of this research has not been tested for reliability or validity as it was used for applied purposes. This questionnaire was an instrument specifically designed to assess the areas of capacity only within the organizations identified in this study and was adopted from a document titled “An Organization Guide to Capacity Building" a joint project between the Region of Peel United Way, Ontario and the Ontario Trillium Foundation 2006.

Part 1 of the questionnaire (Appendix C) consisted of four sections concerning (a) Governance and Leadership (26 items) (b) Program Delivery and Impact (22 items) (c) Financial Management (25 items) and (d) Human Resources (26 items). Each section consisted of several sub-sections. Participants were asked to rate statements in terms of the perceived agreement/truthfulness on a 4-point Likert-type scale (4 = True, 1 = Never or Not True). Respondents were also able to indicate that they "don't know/doesn't apply). In terms of score calculation, the higher the overall scores indicated with each of the questions the higher the capacity of the organization in this area. Based on these scores average scores for each section were calculated and an overall organizational capacity score was created. The section on Governance and Leadership included 8 sub-sections: (1) board meetings and board work, (4 items; e.g., "Our board meets regularly and achieves quorum almost all the time"); (2) board structure and composition (3 items; e.g., "Our board has a process that helps us recruit new board members"); (3) board development (2 items; e.g., "We orient new board members to the agency and the board"); (4) oversight and accountability (4 items, e.g., "Our board regularly asks questions about whether we are meeting funder requirements"); (5) board role and conduct (6 items, e.g., "Our board is directly involved in raising money for the organization"); (6) legal obligations, (3 items; e.g., "We always have a quorum at our annual general meeting"); (7) board and executive director relationship (3 items, e.g., "Our board reviews the Executive Director's performance every year to two years") and (9) Executive Direction Role (1 items; "The Executive Director is able to set time aside to supervise and support individual staff members who report"). The section on Program Delivery included 6 sub-sections: (1) approach to service (5 items; e.g., "Our staff delivers programs and services in a way that is consistent with the values of the organization"); (2) boundaries between staff and constituents/service users (3 items; e.g. "Our staff are aware of the policies that guide their work"); (3) constituent/service user feedback (4 items; e.g., "We support and encourage the people that we serve to provide feedback (including complaints"); (4) monitoring and evaluation (4 items; e.g., " We monitor use of our programs and services on a regular and frequent basis"); (5) range and capacity of programs (4 items; e.g., "We have adequate space for current programs and services"); and (6) application of standards, norms, best practices (2 items; "Our staff are qualified to do their jobs"). The section on financial management included 5 sub-sections: (1) financial management, (7 items; e.g. "Our staff are supported and encouraged to help with the development of the annual budget"); (2) risk/health and safety (9 items, e.g., "Our staff carry out monthly safety inspections"); (3) fundraising (4 items; e.g., "Our board has an approved plan that guides fundraising activities"); (4) funder accountability; (1 item; e.g. " We always meet our funders' requirements for reporting information"); and (5) sustainability (4 items; "Our agency has a mix of funding sources"). The section on Human Resources included 5 sub-sections: (1) staffing relationships and structure (7 items, e.g., "Staff turnover is manageable"); (2) working environment (7 items; e.g., "Our staff receive regular supervision and support"); (3) staff training and development, (3 items; e.g., "Staff has opportunities to improve their skills"); (4) human resource policies and procedures (1 item, "We have policies that describe staff rights and responsibilities. These policies are available to all staff"); and (5) volunteer recruitment and support (8 items; e.g. “Our volunteers are recognized for their accomplishments”).

In Part 2 of the questionnaire respondents were asked to provide some demographic information including: 1) name of the community centre respondent is employed or volunteers with; 2) respondents’ past and present roles with the organization; 3) length of time serving the organization, 4) their occupational, educational and volunteer background, and 5) personal demographics (gender, age, education, marital status, household income, status as a resident within NL Housing and the Centre’s surrounding community). Due to small sample size, survey data was analysed descriptively (i.e., frequencies, means, standard deviation) rather than inferential statistics.

3.5 Phase Two: Focus Groups

3.5.1 Design and Sample

The qualitative method for this study involved focus groups with key individuals critical to the operation of the identified organizations. The purpose of the focus group was to obtain participants’ opinions on the challenges associated with capacity building in nonprofit organizations. Participants for the focus groups were identified from three levels of the organizations’ management and personnel structures within the organizations: a) Executive Director; b) Director of Programs and Services; and c) members of the Board of Directors.

3.5.2 Data Collection

Focus groups at each community centre took place between November, 2011 and March, 2012. Organizational leaders who agreed to participate in the focus group were invited to attend a two-hour focus group session located at the respective community centre. Focus groups ranged from 8 to 13 participants. When participants arrived, I introduced myself and explained the purpose of the study and requested that participants read and complete a consent form (Appendix D: Focus Group Consent Form) prior to commencing the focus group. Participants introduced themselves and a warm-up discussion ensued during which participants were asked to discuss general issues related to the topic. Specific questions were then discussed following an interview guide. The focus groups were audio-recorded and researcher notes were also recorded.

3.5.3 Interview Guide

The interview guide contained a series of focused questions (see Appendix E). The interview guide was prepared in advance to ensure there was a consistency in the questions and information gathered from each organization. The first questions had a general focus with respect to the capacity challenges in the organization. These were asked to gain an overall sense of the capacity challenges. More in depth questions followed that narrowed on the areas of capacity: finance, human resource, governance and leadership, and program delivery. Additional exploratory questions flowed from these questions as there was a need to probe and build on various comments and information. Finally, participants were asked if there was additional information they wanted to add or expand on, as well as other relevant comments as part of the focus group process.

3.5.4 Data Analysis

Upon completion of the focus groups, audio recordings were transcribed as well as notes taken during the focus groups. The qualitative data was analyzed using a directed content analysis approach: a systematic classification process of coding and identifying themes or patterns, which aims to extend the conceptual and theoretical framework of previous research (Hsieh & Shannon, 2005). I read the transcripts, highlighting the text that appeared to represent challenges and issues with organizational capacity building. Next, key concepts and variables from the quantitative survey findings were applied as initial coding schemes and highlighted passages were coded using these predetermined codes. As the analysis proceeded, additional codes were developed for text that may not have been labeled with the initial coding system.

3.6 Phase Three: Document Review

3.6.1 Design

The document review involved a study of the organizations' existing documents, with the purpose to better understand in greater detail what is happening in the organization from a capacity standpoint and support what is being said in the focus groups and/or surveys. There are a few advantages of completing a document review as part of the research study. The document review allowed me to gather information that gives an accurate picture as to what is going on in the organization with respect to the areas of capacity. For example, a review of the operational policies manual, which guides the organization’s day-to-day operations, would provide an indication of the organization’s ability to make clear, grounded decisions necessary for strong program delivery. The document review also determined if there were proper budgets prepared which allow the staff to make the appropriate decisions around program development and operational expenditures. Proper financial documentation is an indicator of capacity in that they allow the organization to make sound decisions with respect to controlled spending and revenue projections. They also are an indication of sound financial practices that are necessary for planned sustained growth as well as proper accountability. In essence, good financial practices allow the organization to deliver the programs and services necessary to fulfill its mandate. Finally, a document review can be a less intrusive way to collect data from the identified organizations.

3.6.2 Document Sample

There are typically three types of documents that can be considered for review: personal documents, official documents and popular culture documents (Guba & Lincoln, 1981). This research study involved a document review of official documents of the organizations. The process involved collecting documents from all three identified organizations in the study. These include those documents that are bureaucratic and administrative in nature such as organizational constitutions, policies, meeting minutes and planning reports.

The documents examined represent many of the essential areas of capacity in nonprofit organizations. These documents are an indication of capacity and are a result or product of capacity building activities in which the organizations is involved. Documents such as a strategic plans or annual operational and program budgets are a measure of capacity of the organization. As part of this review, I examined documents that fall within the fours area of capacity that make up this study. In terms of financial management I looked at any financial policy documents which guide the organization’s spending and accounting practices from both day-to-day and fiscal perspectives. I also looked at the documentation around budgets of the organization as a means to examine the financial planning practices of the organization. In the area of program delivery I examined documents that deal with program policies that outline how programs are delivered and what policies guide them. I also looked at any program evaluation documents that the organization used to evaluate the programs and services they offer. In terms of governance/ leadership I reviewed key organizational documents, such as board orientation and training manuals for new and existing board members. I also reviewed the constitution and by-laws that govern the organizations and the management practices of the board of directors. As part of the of human resources, I examined documents which detail job descriptions of employees, as well as any documents or manuals that present the human resource policies of the organization and guide personnel practices.

3.6.3 Data Analysis

As part of the data analysis process I initially determined if the documents I was looking for actual existed in the organization. The ability to obtain the documents required as part of the review was in itself a measure of the capacity of the organizations in the study. For example, if the organization has no program evaluation forms or monitoring process it will reflect as a capacity weakness, in that programs and services implemented may not be meeting the true needs of the target group if the programs are not evaluated regularly. In terms of process, the documents were first collected and reduced to manageable samples. They were categorized by themes or areas such as policy documents, governing documents and financial documents. Next the documents collected were examined and compared. The analysis of the documents included determining how comprehensive the documents were by addressing the following questions: (1) are they up to date?; (2) do they contain relevant information?; and (3) do they have enough information to reflect the operational issues of the organization? An additional and important aspect to the document analysis was to determine if the documents were currently operational by the organization. Having the documents developed, no matter how comprehensive they may be, are not effective if the organization does not use them as part of their day-to-day operations. Analyzing these documents and engaging in this process led to a greater understanding of the issues that organizations experience around capacity in their organizations.

CHAPTER 4: RESULTS

The following chapter will discuss the quantitative and qualitative results of this case study. Phase One of the study used a quantitative survey to explore individuals' knowledge or understanding of the organizations' practices in four key area of capacity: governance and leadership, programming, finances and human resources. The second phase qualitatively studied participants' knowledge and understanding of the organization through focus groups with senior staff and board members with the three designated sites in the study. Focus group participants were asked a variety of questions that focused on areas of governance and leadership, finances, programming and human resources. The questions primarily focused on the challenges associated with the operation of their nonprofit organization. The qualitative phase of the study also involved a review of the organizations' essential operating documents to examine what policies and processes are in place to govern the organization and reflect on how these impact organizational capacity.

4.1 Description of Community Centres

The three community centres in this study were nonprofit organizations that were established in publically owned low income neighbourhoods in NL. The Centres were primarily funded through a government department that maintains and administers these housing units. The centres are funded as part of a community development strategy the department has which directs it to provide funding for programs to tenants in these areas. The centres themselves are arm's length from this government department as they operate under a separate board of directors. The mandate for all the centres is the same: to provide social, educational, recreational and health programs and services to these neighbourhoods. Generally, the centres provide programs and services to about 400-500 tenants of all ages. As indicated, the primary source of funding for the Centres is obtained through one particular government department, while funding from other sources needs to be procured through other government departments, private donors and the corporate sector. The centres typically operate with the assistance of volunteers (in keeping with the community development model) and the fact that staff is limited due to funding constraints. These centres have been in existence between 15-27 years and are continuously evolving to meet the needs of the tenants that avail of them.

Community Centre A is located in the east end of the City of St. John's, NL, a metropolitan area, and has been in existence for 30 years. The building is one of the largest among the centres in the province and even includes a mid-sized gymnasium. The building is actually owned by the organization; this is the only community centre in the province that owns its building. The Centre has a rich history with a local church that started the Centre in response to local issues that were identified through its outreach activities. The Centre serves 160 low income families with about 600 residents living in the area. The Centre has a large complement of volunteers who reside in the community and are very active in running programs and services. As mentioned, the Centre's roots are with the church and therefore they have always had a food bank and clothing room as part of an effort to meet residents' most basic needs. The food bank is one of the 13 food banks in the region. There is also a large emphasis on public health services; they have a large partnership with the local health authority to offer public health clinics, nurse practitioner services and mental counseling. The Centre also offers childhood education programs (e.g., healthy babies club, afterschool program, homework club) and a variety of recreation programs for children (e.g. Kids First, Afterschool Program), youth/teens (e.g., Youth Talk Program), adults (e.g., Darts and Social), and older adults (e.g., The Kettle is On). The Centre has three full-time staff and 3-4 part-time and seasonal staff depending on the programming season and funding.

Community Centre B is located in the downtown area of the City of St. John's, NL. The Centre has been operational for the last 20 years and was established to address issues that resulted from open drug trade activities in the local housing area. The Centre serves 196 low income families in the local areas. The Centre has made great strides over its time and is one of the more active centres in the province. Programming with this Centre is a bit different in that they do not provide services to youth, unlike the other centres where youth initiatives are a main focus. This is due to the fact that another organization in the area has the primary mandate to provide youth programs and there was no need to duplicate. This has allowed the centre to focus on other programs and services for tenants in the area. The Centre started out with a relatively small program space but over the years, with local political support to obtain funds, the Centre expanded physically allowing for growth in its program opportunities.

Community Centre C is located in a rural town, approximately 200 miles from the capital city. The Centre is located in a town where there is fairly good economic activity as opposed to many other rural towns in the province. It is one of the newer centres established in the province (18 years old). The Centre is physically the smallest of all the centres in the province, although plans are currently under way to lobby government to build on the facility over the next few years. The Centre provides a wide range of programs and service to tenants in the area.

4.2 Phase One: Survey Results

4.2.1 Survey Sample Description

A total of 29 individuals responded to the survey: 15 were employed/volunteered with Centre A, 4 individuals with Centre B and 9 with Centre C. It should be noted that one respondent did not complete the background information of the survey. Respondents had been employed or volunteering with their respective community centre for an average of 9.2 years (*SD* = 6.56), ranging from 8 months to 23 years. The respondents held the following roles within their community centres: Executive Director (7.1%); Director of Programming and Services (3.6%); Chair, Board of Directors (21.4%); Volunteer (42.9%); and other (25%). Volunteer positions would consist of "Other" roles that respondents held including volunteering to deliver programs, sitting on sub-committees or assisting with special events. On average respondents had been in their current role for 5.7 years (*SD* = 5.38), ranging from 8 months to 20 years; thus some respondents have held multiple roles within their community centre.

4.2.2 Community Centres' Organizational Capacity

Respondents completed a questionnaire designed to assess the areas of capacity of the community centres. Individuals were asked to rate statements in terms of the perceived agreement/truthfulness on a 4-point Likert-type scale (1 = Never or Not True; 4

= True) about various issues related to the capacity of their organization in terms of (a) Governance and Leadership (27 items); (b) Program Delivery and Impact (22 items); (c) Financial Management (25 items); and (d) Human Resources (26 items). In terms of score calculation, the higher the overall scores indicated with each of the questions the higher the capacity of the organization in this area.

Governance and Leadership

Table 1 presents the mean scores for the Governance and Leadership organizational capacity sub-scale. Respondents reported high organizational capacity in terms of board meetings and work; in particular respondents felt that their board met regularly and was able to achieve quorum on voting decisions. The range of skills on the boards and policies to guide the conduct of the board members were rated very highly. In terms of Oversight and Accountability of the governance and leadership of the centres, respondents rated highly the ability of keeping funders informed and the Executive Director informing others of issues and accomplishments. Respondents also felt that the Executive Directors of these centres were taking the time to supervise and support staff and volunteers. Several Governance and Leadership issues were not rated highly. In terms of the Board and Executive Director relationship, respondents reported that the boards were not reviewing the Executive Director’s performance according to best practices. Similarly, board meetings were not being recorded. Interestingly, several statements under the issue of board role and conduct were rated very low: boards are not participating in the hiring of centre staff or involved in seeking alternative funding for the organizations.

Table 1: Mean and Standard Deviation of Governance and Leadership Sub-Scale

	M	***SD***
Board Meetings & Board Work		
Our board meets regularly.	3.9	0.42
Our board achieves quorum almost all the time.	3.9	0.42
Our board has a workplan for … each year and evaluates its progress regularly.	3.3	1.12
The board's workplan is consistent with our agency's longer term goals or objectives.	3.5	1.01
Board Structure & Composition		
Our board has effective ways of organizing its work.	3.6	0.64
Our board has a process that helps us recruit new board members.	3.3	1.13
We have a range of skills on the board.	3.8	0.65
We have a process to ensure that our board reflects the diversity of the community.	3.5	0.75
Board Development		
We orient new board members to the agency and the board.	3.0	1.13
We use board development activities to improve our board skills and knowledge.	3.0	1.09
Oversight & Accountability		
Our board regularly asks questions about … meeting funder requirements.	3.0	1.08
Our board has the skills …to evaluate whether agency resources are adequate and protected against loss.	3.2	0.99
The Executive Director keeps us informed of program and service issues and accomplishments.	3.8	0.48
We keep our funders fully informed about issues that are relevant to them.	3.8	0.52

	M	*SD*
Board Role & Conduct		
The Executive Director is the only staff person that our board hires and directs.	2.9	1.08
When our board members work as volunteers in other parts of the organization, staff guide them.	3.0	1.11
Our board has adopted policies to guide the conduct of the board members (e.g., confidentially, conflict of interest, and anti-discrimination/ anti-harassment)	3.7	0.63
Board members make decisions or direct the work of the organization as a full board, not as individuals.	3.6	0.79
Our board is directly involved in raising money for the organization.	2.4	1.30
In addition to donating their time, where possible, Board members contribute financially to the agency.	1.6	0.89
Legal Obligations		
We always have quorum at our Annual General Meetings.	3.0	1.34
We keep a record of all board and board committee meetings.	3.5	0.95
We review our by-laws regularly to ensure that they are consistent with corporate law and how we direct and structure our work.	2.8	1.07
Board-Executive Director Relationships		
We have a job description that reflects the work that the Executive Director performs on a day-to-day basis.	3.4	1.02
Our board reviews the Executive Director's performance every year to two years.	2.7	1.20
Our board has identified the need to hear from the Executive Director about situations that present a significant risk to the agency and the board.	3.4	1.04
Executive Director Role		
The Executive Director is able to set time aside to supervise and support individual staff members who report to him or her.	3.7	0.68

Program Delivery and Impact

Table 2 represents the mean scores for program delivery and impact for the sub-scale. There are some areas where respondents rated items very highly. Under Approach to Service, respondents felt there was a good awareness around the programs and services that are being offered to community residents. They also felt strongly that the programs and services are offered in a way that reflects the values of the organization. It was also identified that respondent felt there is proper policy in place to gain feedback from program participants. In keeping with this area, they also felt that the board did review reports and feedback from participants on a regular basis in order to address program patterns and issues. Under the area of Range and Capacity of Programs respondents indicated that physical space was adequate for the programs they are currently offering. Importantly, under the category of Best Practices and Norms, respondents rated highly that staff were qualified to do their jobs. Respondents indicated that to their knowledge the boards have neither an approved statement of responsibilities nor do they advise participants of their rights and responsibilities. Under Range and Capacity of Programs it was identified that respondents did not feel the organizations had enough space to expand the programs and services for the Centre. Finally, under Range and Capacity of Programs respondents mostly indicated that outside referrals were not being made for a person who could not be served by the organization.

Table 2: Mean and Standard Deviation of Program Delivery and Impact Sub-Scale

	M	*SD*
Approach to Service		
Our board has approved a statement of rights and responsibilities that applies to the people that we serve.	3.0	1.2
We advise constituents of their rights and responsibilities.	3.0	1.1
Our staff delivers programs and services in a way that is consistent with the values of the organization.	3.7	5.5
We make the people that we serve aware of resources available within the organization and elsewhere.	3.9	0.37
We support and encourage the people that we serve to ask questions and make their own choices.	3.7	0.79
Boundaries (between staff and constituents/service users)		
Our organization has approved policies that guide staff-service user relations (e.g., socializing, communications)	3.4	0.96
Our staff are aware of the policies that guide their work.	3.4	0.58
Our staff are encouraged to seek advice about staff-service user relations.	2.9	0.67
Constituents/Service User Feedback (satisfaction, complaints, opinions)		
Our board has approved a policy and/or procedure for **constituent and** service user feedback including complaints.	3.6	1.2
We support and encourage the people that we serve to provide feedback (including complaints).	3.1	1.0
We offer many ways to provide feedback.	2.9	1.1
Our board reviews reports that summarize **constituent/**service user feedback on a regular basis.	3.9	1.2
Monitoring & Evaluation		
We monitor use of our programs and services on a regular basis.	3.6	0.87
We summarize constituent/service data to guide us in determining the types of programs and services we should provide.	3.3	0.87

	M	*SD*
Our programs and services are evaluated regularly for efficiency and effectiveness.	3.5	0.93
We have improved our programs and services based on the results of our evaluations.	3.5	0.78
Range & Capacity of Programs and Services		
Our organization provides a range of programs and services.	3.5	0.74
We have adequate space for current programs and services.	4.0	0.18
We have the capacity to expand programs and services.	2.8	1.3
When we cannot provide service to a person who has contacted our agency, we make referrals.	2.7	1.0
Application of Standards, Norms, & Best Practices		
Our staff are qualified to do their jobs.	3.8	0.57
Where possible, we use programs or approaches that are known to be effective.	3.8	0.50

Financial Management

Table 3 represents the mean scores for financial management for the sub-scale. Under Financial Management respondents reported highly that the board has good financial policies in place for the organization (e.g., safeguards, regular monthly financial statements and proper signing authority). As well, the respondents indicated that the board reviews all financial statements at least every three months. With respect to Risk/Health and Safety respondents reported that they are not completing an ongoing inventory of capital assets or that monthly safety checks are being carried out. Interestingly and concerning, respondents rated very low that the organization followed the provincial and health safety laws as legislated by Government which states "18(1) Regular inspections of all buildings, excavations, structures, machinery, equipment, work practices and places of employment shall be made by the employer or his or her representative at intervals to ensure that safe working conditions are maintained and that unsafe conditions found as a result of the inspection are remedied without delay" (Service NL, 2014). With respect to Fundraising it surprising to see that respondents indicated the board did not have an approved plan that guides the fundraising activities of the organization. No organization in the study had a plan for fundraising activities. Finally respondents indicated that the board did not always meet funder requirements for reporting on funding or programs.

Table 3: Mean and Standard Deviation of Financial Management Sub-Scale

	M	*SD*
Financial Management (including budgeting)		
Our board has approved financial policies.	4.0	0.27
Our board has approved an annual budget.	3.8	0.62
The budget is based on the money we expect to receive from our funders and donors, and what we expect to spend.	3.7	0.62
We distribute our resources according to our funder commitments and our board's priorities.	4.0	0.38
Our staff are supported and encouraged to help with the development of the annual budget.	3.8	0.70
Our board reviews financial information at least every three months.	4.0	0.0
Every year, we receive an independent financial audit.	3.0	1.0
Risk/Health & Safety		
Our board has addressed risk of loss or damage by approving occupational health & safety policies.	3.7	1.2
Our board has addressed risk of loss or damage by making sure that we have liability and property insurance.	3.7	0.90
Our board has addressed risk of loss or damage by making sure that there is a complaint process.	3.2	1.0
We keep an inventory of capital assets.	3.0	1.2
We protect confidential information (e.g., store personal information in a locked filing cabinet, use secure passwords)	3.8	1.2
We protect information that is important to our agency's work (e.g., up-to-date virus protection software and use it).	3.8	0.80
Our staff carry out monthly safety inspections.	3.0	0.80
Our staff know how to respond to emergency or crisis situations.	3.0	0.90
We follow provincial health and safety law.	2.2	0.90

	M	*SD*
Fundraising		
Our board has an approved plan that guides fundraising activities.	2.2	1.2
Our donors are recognized for their contributions.	3.4	0.80
We tell our donors about how their donations are distributed.	3.7	0.80
Our agency maintains its not-for-profit charitable status.	2.9	0.80
Funder Accountability		
We always meet our funders' requirements for reporting information.	2.9	1.3
Sustainability (Funding Sources)	3.5	0.80
Our agency has a mix of funding sources.	4.0	0.30
We have the skills to generate revenues (e.g., identifying funding sources, writing successful funding proposals, and developing creative events for fundraising)	4.0	0.29
We have a plan to deal with situations where revenues fall short of projections.	3.5	0.90
Our agency prepares monthly cash flow statements to track revenues received and money spent.	3.0	0.90

Human Resources

Table 4 represents the mean scores for human resources for the sub-scale. Responses to questions associated with Human Resources were average overall; although there were some notable findings with respect to the results in this section. Under Staff Relationships & Structure the board responded with low scores, indicating that the organization does not have enough staff to carry out the work assigned. It was also identified that they did not complete a regular review of staff salaries and benefits. With respect to Work Environment the board identified that the staff of the organization do not have a job description that reflects the work they were hired to do. On a more positive note it was identified that staff were well supported by management and are also encouraged to bring forth ideas on how to improve programs and the agency in general. Finally, under Volunteers respondents indicated that volunteers did not have a job description that reflected the work they do nor did they have the information, tools and other resources they need to do their job effectively and efficiently. Having said that responses were high in acknowledging that volunteers with the organization are continuously recognized for the work they do with the organization.

Table 4: Mean and Standard Deviation of Human Resources Sub-Scale

	M	*SD*
Staffing Relationships & Structure		
We are able to work with people from different cultures.	3.5	0.90
Our organization chart provides a clear picture of the structure of our organization.	3.1	0.90
Our staff work in different parts of the organization when needed.	3.7	0.68
Generally, we have enough staff to do the work assigned to us.	2.9	0.80
We have the appropriate mix of staff and volunteer skills as well as experience to achieve our mission.	3.4	0.75
Our staff salary and benefits levels are reviewed regularly.	3.0	0.99
Staff turnover is manageable.	3.6	0.73
Working Environment		
Staff have written job descriptions that reflect the work they do.	3.3	0.79
Teamwork is used and valued in our organization.	3.7	0.68
Our staff have access to the information, tools, equipment, technology and other resources to do their jobs effectively and efficiently.	3.5	0.74
Our staff receive regular supervision and support.	3.8	0.40
Our staff are encouraged to bring forward new ideas about how to improve our agency's work.	3.9	0.30
Staff are comfortable asking questions or identifying problems.	3.8	0.50
Staff morale is good.	3.8	0.50

	M	*SD*
Staff Training & Development		
Staff have opportunities to improve their skills.	3.7	0.60
We have performance reviews three and six months after being hired, and at least every two years after that.	3.7	1.3
Our staff are recognized for their accomplishments.	3.7	0.88
Human Resource Policies & Procedures		
We have policies that describe staff rights and responsibilities. These policies are available to all staff.	3.6	1.0
Volunteers		
Volunteer turnover is manageable.	3.5	0.79
Volunteers have written job descriptions that reflect the work they do.	2.2	1.4
Our volunteers have access to the information, tools, equipment, technology and other resources they need to do their jobs effectively and efficiently.	2.2	0.80
Our volunteers receive regular supervision and support.	3.3	0.80
Volunteer morale is good.	3.5	0.77
We have policies that describe volunteer rights and responsibilities. These policies are available to all staff.	3.0	1.3
Volunteers have opportunities to improve their skills.	3.2	0.99
Our volunteers are recognized for their accomplishments.	3.9	0.60

Overall Organizational Capacity

An organizational capacity score for each capacity area (governance and leadership; program delivery and impact; financial management; and human resources) and an overall organizational capacity score was calculated. Mean organizational capacity for each of the four areas was high; scores all being over 3.0 on a 4-point scale with little variability between scores. Financial Management was rated as having the highest capacity among the organizational areas (M = 3.54; SD = 0.40), followed by Human Resources (M = 3.46; SD = 0.50), Program Delivery and Impact (M = 3.42; SD = 0.45), and lastly Governance and Leadership (M = 3.33; SD = 0.54). Overall organizational capacity was also rated highly (M = 3.44; SD = 0.42).

4.3 Phase Two: Focus Groups

As part of the qualitative phase of the research focus groups were carried out with board members and senior staff of the three sites identified in the study.
The focus groups had an average of 10 participants at each site. With the exception of one group there was a good mix of local tenants who sit on the board and resource persons from outside the community. There were also a few senior staff from the organization. The following section details the results of the focus group responses. The most common responses from the three focus groups are outlined under the four areas of capacity.

4.3.1 Financial Capacity

All the organizations indicated that the primary funder was the Provincial Government, more specifically the Newfoundland and Labrador Housing. This was identified and supported in the audited financial statement, as indicated earlier through the document review findings. Other sources of funding were obtained through municipal grants, Skills Canada, donations, local health authorities and other small funding agencies. The rural site was much more limited, all funding streams were either through provincial or federal government sources. Other sources were limited and only account for 4 % of total revenue.

The most pressing financial issue that was identified through the focus groups was the inconsistency of funding, as most programs are funded through grants that are periodically offered. Short-term funding limits the time that good programs and services can be offered. The challenge is maintaining funding for program staff in order to keep programs operating. It is also challenging to be able to offer benefits and salaries that are competitive and will retain existing staff. One participant responded to the question of the most pressing financial issue by saying:

> *I would think the consistency of funding. Not necessarily one particular thing but whenever you get something it's short term and so you have to constantly be planning for the next grant and the next project. So it's hard to sustain things* (Hillary, Board Member, Community Centre A).

Cuts to summer staff programs from the Federal Government were another issue that was identified from the focus groups. The summer programs are an essential and the reduction of staff makes it difficult to operate and offer a quality program. The challenge is trying to balance the amount the organization can spend on programming versus what funding resources one has to spend on staffing. Finally, respondents indicated that it was challenging to be able to plan from year to year due to the fact that the organization never really knows what funds they have to operate with. With respect to the rural site, financial challenges are sometimes more difficult in that the local municipal government does not have the capacity to provide funding and the opportunities to draw on local business is low is limited.

The focus groups identified a few issues associated with the grants they receive from government. The first was that many grants are small and therefore, may not worth the time to apply for or administer. This was a consistent message with all three focus groups. The organization could apply for the same government grant each year; however, the fund had to support an entirely different project. Lack of funding for the same project created an issue because the organization discontinues running a previously successful program. This issue relates to the challenge of being able to offer consistent programs from year to year. Another issue identified with grants was the challenge of not knowing whether the organization would be able to retain staff from year to year. Short-term grants that require reapplication from year to year created a real uncertainty for organizational staff. There was simply no guarantee the organization was going to receive it therefore staff are constantly looking for other employment opportunities. Another challenge with grants is that most of them do not allow the sponsoring agency to build in an administration cost. There is a cost to administer grants and without the administration money the organization is left to absorb the cost from their own budget. Finally, the focus group participants identified that many of the grants have a fair amount of stipulation association with them such as: who can be hired (i.e., in some cases grants are for targeted workers); what you can purchase for the project; and how much you can spend within various categories. Sometimes the grants are too rigid for an organization and therefore are a challenge to manage.

In all focus groups, the participants said for the most part the boards do not get involved in any type of fundraising, either direct fundraisers or carrying out fundraisers on behalf of the Centre. It was identified that board members may be a support to the staff in regards to making a contact or passing information about a funding source they have heard about. But it was clear that none of the boards did any significant fundraising for the centres; this was left up to staff.

4.3.2 Human Resources

The participants identified that for the most part the centres have two core staff persons: the Executive Director and the Program Coordinator. All other staff in the centres are employed either on year to year contracts or even shorter timeframes as a result of funding restrictions that are stipulated in the grants. Staff retention was identified as an issue with the community centres. Participants said that staff who are funded under grants, are always looking for other full time jobs. Many of the organizations cannot offer full time positions, which is challenging. There is also an issue with recruiting staff when positions advertised are contractual in nature; which is the case most of the time. Participants also indicated that when a good staff person is employed at a Centre there always seems to be an organization trying to recruit him or her. Focus group participants also indicated that retention is especially challenging when competing with government (including local/municipal government) which offers better salaries, benefits and pensions. It was indicated that staff enjoy the work with the community centre but with the uncertainty of funding coupled with the wage they often find it hard to stay. One participant said:

> *And of course with short-term grants there are things like salaries and benefits, we are not as competitive as other areas. So they'll use this job as a stepping stone to get into government positions* (Executive Director, Community Centre C)

Participants in the focus groups indicated that there was no real budget for staff training. There are some training opportunities from time to time; for example, a lot of the time the Centre staff availed of free training opportunities through other organizations. There are occasions when centres are able to get training money from grants if staff training is an eligible cost and/or there are enough funds to budget for training. Some participants did mention that more recently training opportunities for Executive Directors, Program Coordinators and a few Board members have occurred through a Provincial Association call the Community Centre Network, which is made up of all the eight Housing Corporation Centres throughout the Province. It was established to provide networking and support to all Centres. Community Centre C (rural location), also indicated that training opportunities are more of a challenge in that there are not a lot of local training opportunities so staff either have to travel to other locations for training or they have to bring in facilitators from other areas; the result is training that can be very costly and not affordable in the budget.

Participants were asked about issues surrounding staff burnout. The focus groups were quick to point out that the centres are a good place to work overall. The atmosphere was a positive one but there was stress when one is trying to be everything to everyone; participants indicated this is what happens when one is trying to run an organization on limited resources or when you have high staff and volunteer turnover.

The participants indicated that there were some issues in getting community residents to volunteer at the Centre. Volunteer recruitment and retention has been and continues to be an ongoing issue for the centres. Recruiting community resident volunteers as board members was not an issue as they have been able to get individuals from the broader community. Recruiting people to volunteer on the board was especially easy in the rural setting (Centre C) where they have had a board waiting list and have had a full board for the last six years. They also indicated that post-secondary institutions in the community have been excellent with supplying volunteers (i.e., students who require a certain number of volunteer hours for courses or a diploma/degree program). They did indicate that there were some volunteers that just come in off the street and want to volunteer. Finally, it was mentioned that in many cases there are a small group of volunteers that end up doing all the work; burnout results and people cease their volunteering efforts.

4.3.3 Board and Leadership

The overall response from the focus groups was that retention of board members was not an issue. Some participants indicated that with resource people (those board members who come from the broader community and have specific skills and expertise relevant to the boards' operational needs) they had more board members then were needed. As previously discussed, Community Centre C (rural site) has a waiting list of people wanting to come on the board. Based on the responses from the focus group the Centres were more concerned about losing the people they have as board members (retention) rather than recruiting volunteers to sit on the board. The constitution of the community centres includes a two-year term for board members. This can be a challenge as there is a need to keep consistency particularly when one has good board members: "When you have turnover, and that happens every two years, sometimes that's a challenge too, in terms of losing good people" (Sue, Board Member, Community Centre B). Members of the focus groups did indicate that there was no board succession plan in place for members.

The responses from the focus groups indicated that none of the sites had any type of formal succession plan in place. They indicated that there is always someone to fill in when a board member leaves. One group indicated that a succession plan was something that the Provincial Government did not require of the community centres. In terms of senior staff there was also no succession plan; staff leave and the centres try their best to replace them. At one site, Community Centre B, there was a fair bit of discussion on the topic of succession. Senior staff at this centre indicated that the boards have been better with understanding the role of the staff after conducting an evaluation process and giving staff feedback. Discussion also included that the strengths in staff need to be better recognized and built upon with training opportunities. Communication with junior staff on an ongoing bases is needed to give them more information on what is happening in the organization overall. Junior staff should know about other aspects of the operation in the event they have the opportunity to advance within the organization. There were also comments that the organization has limited people to draw upon when it comes to training for higher positions:

> *It's a limited pool. It's not like you can get 50 staff and say let's take the best and brightest out, then start working towards developing him*

> *into the higher leadership role, then if someone leaves there's a quick fix* (Executive Director, Community Centre B).

Focus groups were asked about training opportunities for the Board. The responses were mixed from site to site. Community Centre C focus group participants indicated that they were currently stable in terms of the board, management and the Centre. However, if things change in the future they may have to reexamine their priorities when it comes to training. This site did indicate that they have no board training budget in place but try to take advantage of free training when they do sessions on board governance, for example. Community Centre A participants indicated that they have done board governance training a few times but training is more informal (e.g., getting together to chat at the annual tenant conference). Finally the last site, Community Centre B, indicated that they do try some training a few times a year by bringing in guest speakers to talk about various issues. They also combine the training with a social event as a reward to the board members. This site was straight forward in their comments when indicating there was a real challenge in trying to get board members together to do any training, trying to arrange times to get all together, and finding agreement on the type of training to do from year to year. The overall response from the focus groups indicated that there is little training done with board members as a whole.

The board member focus group participants were for the most part unclear about the vision and mandate of the organization. A few responses from participants to the question of whether the board had a clear mandate and vision was looking around the table saying "We have a mission don't we?" or "We don't have a mission do we?" It was evident by the focus group responses that boards did not know what the vision or mission was or that they did not really look at it in terms of guiding the organization in any meaningful way. Participants did feel that the new constitution which was put into place by all boards over that last year was a positive change; while expansive it did give them more direction in moving forward**.**

4.3.4 Program Delivery and Impact

There were a number of challenges identified within the focus groups related to programs and services including lack of space, funding, and transient target population. Lack of space to run programs and services was a common issue among community centres. The lack of space has limited the type and number of people that can be in programs as well as limiting the number of programs that can be offered to the communities. Most of the community centre facilities are old and need to be upgraded especially when it comes to accommodating people with mobility issues. Accessibility can be very challenging especially when trying to provide program and services for the ever-growing senior population.

> *The biggest issue on the table right now is physical space. Like I said, we have maxed out in terms of the number of staff and programs we can handle right now* (Executive Director, Community Centre C)

Funding of programs and services was discussed as another challenge and was related to the issue of grants. Participants indicated that short-term grants have meant that many times good programs and services cannot be offered for the long-term. The grant only funds the program for a year and thus the program or service has to be discontinued unless other means are found to sustain it. All sites identified this as an issue either through the discussion on funding or the questions associated with program challenges. Finally, there was the obvious challenge of being able to find the appropriate funding to deliver quality programs and services which are identified by the community. This also relates back to the discussion on the challenges associated with funding for the centres.

Challenges that exist with respect to the population were also identified. Community Centres A and B indicated that the transient population was an issue. Tenants involved as program participants or volunteers can move on from the community for various reasons. It can be challenging to get tenants involved in programs and services. Sometimes tenants are suspicious of what is going on at the centre and they tend not to get involved or they may have something going on in their lives and they do not want people to "know their business" as was indicated by one focus group participant.

Focus group participants were asked about the impact of staffing and grants on programs. Again participants indicated that because of the ways grants are structured the Centres lose staff on a regular basis, sometimes halfway through a program. One focus group participant said:

> *So you have a person here on a nine month contract and you are wondering, are they going to be looking for other work? Then we lose a coordinator halfway through the project and start all over again. So that's a big challenge too* (Sue, Executive Director, Community Centre A)

The general comments were that staff turnover affect programs negatively in terms of the re-hiring process that needs to be undertaken and the impact inconsistency has with the participants. Staff turnover particularly affects the children who, just when they become comfortable with a staff person, the employee leaves the organization. This was also true of volunteers who help out with programs and services.

4.4 Phase Three: Document Review

4.4.1 Description of Documents Reviewed

The qualitative phase involved a comprehensive review of the essential documents that guide the organization, play a role in operations or are part of the accountability process. For this study, a number of documents were requested from the three that are associated with the various areas of capacity:

1. *Proposed Operational Budget (3 years)* outlines the revenues and expense that the organization would anticipate over the next three years of operation. It is a tool that allows the organization to anticipate what resources it will have to implement and deliver programs and services over that time frame.
2. *Policies and Procedures Manual* is essential to the operation of the centre. It guides the organization on a day-to-day basis, ensuring that policies are in place that allow for effective and efficient operation. Policies and procedures reflect a broad range of activities from staff policies, to financial management, to building operations, etc.
3. *Constitution* is the governing document of the organization. It is essential and legally required for the document to set out the goals and objectives of the organization, the board composition, and the bylaws which guide the terms and condition of board terms and governance.

4. *Board and Volunteer Manuals* are provided to both new volunteers and board members to give them an overview of the organization. These manuals state their responsibilities and role with the organization. Information such as the mandate of the organization and any legal liabilities which they should be aware of are also included in these manuals.
5. *Board Succession Plan* lays out a plan for the how the organization will transition from current board members to new ones. The plan addresses how the organization plans to recruit new board members, the training required, and how and whom will train for the transition of leadership more specifically at the Chair level.
6. *Staff Training Manual* is given to new staff and gives then an orientation to the organization while at the same time provides them with information that is required to allow them to carry out duties. Responsibilities, specific job tasks and information on policies and procedures of the organization are examples of information included in such a manual.
7. *Program Documentation* includes the program policies, goals and objectives and evaluations. These documents centre on the delivery of programs and services of the organization. They are the policies that the organization has for programs, and include information such as who the programs serve, what ages do the programs serve, and cost and fee structures. The program goals and objectives outline the aims and desired outcomes of the programs. Finally, program evaluation documents include the process to determine if programs meet the intended goals,

what worked well and areas needed to be improved. This information is essential for future programming needs.

8. *Staff Evaluation Forms* are designed to evaluate staff in the organization and to provide feedback (e.g., areas of strength and areas for improvements that will help guide staff toward helping them do their job more effectively).

4.4.2 Document Analysis

All three organizations did present a number of documents as part of the study. Table 4 presents the documents that were requested and provided by each community centre. None of the organizations had all the documents requested because they did not have them as part of their operations. Centre A was able to provide an orientation package for volunteers, board members and work-term students; the last three years of financial statements; constitution; a one year financial forecast; and a copy of the policies and procedures manual. Centre B was able to provide the last two years of financial audits; performance appraisal forms; constitution; and a comprehensive policies and procedures manual which was primarily staff related. The third organization, Centre C, provided an employee handbook; constitution; and the last two years of financial statements. Discussions with key staff of the three organizations indicated they did not have the following documents as part of their practices: Board Succession Plan; Board Orientation Manual; Staff Training Manual; Program Evaluation Manuals; Program Goals and Objectives; 3 year financial forecast/budget; or Operations Manual. It should be noted that the three documents which were provide by all organizations were those documents which were required for organizations to have as outlined by government legislation or the primary funder. These documents include audited financial statements, constitution and personnel policies and procedures.

Table 5: Overview of Document Review

Requested Documents	Organization 1	Organization 2	Organization 3
Proposed budgets for upcoming 3 years	No	No	No
Audits Financial Statements	Yes	Yes	Yes
Policies and Procedures Manual	Yes	Yes	Yes
Constitution	Yes	Yes	Yes
Board Orientation Manual	Yes	No	No
Volunteer Orientation Manual	Yes	No	No
Board Succession Plan	No	No	No
Staff Training Manual	No	No	Yes
Program Evaluation Forms	No	No	No
Program goals and Objectives	No	No	No
Program Policies	No	No	No
Staff Evaluation Forms	No	Yes	No
Operations Manual	No	No	No

The three organizations in this study had for the most part a similar constitution. The need to have a consistent constitution was initiated by the funder, Newfoundland and Labrador Housing, in an attempt to ensure that all centres operated in a similar fashion in terms of board operations. The constitutions were comprehensive in that they presented in detail what the board composition should consist of; putting a specific emphasis on ensuring a majority of board members come from the neighbourhoods the Centres serve. The constitutions also specified the term of office for the board members, the process for elections, and a detailed summary of the roles and responsibilities of board members.

Financial audited statements were also consistent in that they were completed yearly in accordance with financial requirements and submitted to the core funder. From a financial standpoint, the Centres seemed to meet a high level of accountability. When examining the financial audits there are some observations to note. The figures reported indicated that the average revenues are consistent in all Centres ranging from between $400,000 – $450,000 per year. There were no significant increases in the last two years of the Centres' operation, more specifically with the core funds that are provided. The core amount of funding had not changed in two years, staying at $175,000 with the exception of Centre A which obtained additional core funding. This centre received $200,000 of core funding from Newfoundland and Labrador Housing (an additional $25,000) to offset operational cost, given they own their own building. The other two centres are owned by government; in these cases the government covers the main utilities and maintenance expenses.

Based on the financial figures, the core funding for all three sites consists of approximately 42 percent of revenues. The remaining 68 percent of revenue sources were primarily obtained from grants at the municipal, provincial and federal governments. More specifically, funding came from granting mechanisms through the provincial level of government (various departments). The grants obtained by the centres were short-term for the most part (i.e., program grants) running on average for one year with limited funds provided for staffing. There is no guarantee that these grants will be obtained from year to year. Other sources of revenue, such as those through Eastern Health and the City of St. John's, are consistent year to year but are not guaranteed.

It was identified in communications with the centre staff that revenue could change by $100,000 one year to the next. Upon examining this large variance more closely it was shown that this is the result of a Federal Government employment grant that the centres occasionally obtained. However, this funding makes no difference to the bottom line in that the funds are project specific and not used as a revenue source to the Centres' operational or program costs. In terms of a three-year fiscal project for each Centre, no organization had one developed. All centres only produced a year to year budget as part of their planning.

All three sites provide a personnel policies and procedure manual as part of the review. The documents were not all named a 'policies and procedures manual'; variations included 'employee handbook' or 'operations manual'. However, in general these documents addressed facility policies and procedures. Upon examination of the policies and procedures manuals for each organization it was shown that all three organizations contain similar and comprehensive policies and procedures. The primary areas addressed in the policies and procedures could be divided in the following areas: 1) Human Resource Management – which includes sections such as probationary period for staff, professional development, disciplinary action and resignation procedures; 2) Wages and Salaries – which included full and part time staff hours, overtime policies, pay periods and flextime; 3) Vacation and Other Leave – this included statutory holidays, vacation times, sick leave allowance, jury duty procedures and election leave times; and 4) Miscellaneous policies – which included the process for reporting abuse, smoking regulations around the facility, personal business and dress code for staff. As previously indicated these policies were for the most part consistent among all three community centres with only slight variations.

CHAPTER 5: DISCUSSION AND CONCLUSIONS

5.1 Introduction

The purpose of this mixed methods case study was to examine the capacity challenges of nonprofit organizations, specifically nonprofit community centres. In this chapter a discussion of the research findings for Phase 1 (survey), Phase 2 (focus group) and Phase 3 (document review) are presented in separate sections. A discussion of the results is also presented in terms of specific areas of capacity and overall organizational capacity. This chapter also includes a discussion of the limitations of the study as well as recommendations for practitioners and future research.

5.2 Phase 1: Surveys

The respondents who were the members of the boards and seniors staff of the Centres completed a self-administered survey that asked respondents to rate statements in terms of perceived agreement/truthfulness on a Likert-type scale about various issues associated with the capacity of the organization in the areas of governance and leadership, programming, finances, and human resources. The surveys were a valuable means of obtaining opinions from a larger number of board members and senior staff. The response from the surveys was approximately 80 percent (n = 29). There were a few respondents that needed assistance with the survey as literacy and comprehension was an issue.

Survey results showed that the majority of the respondent did not perceive many problems or issues with areas of organizational capacity. For example, in terms of governance and leadership the respondents felt that the boards met on a regular basis and conducted meeting in an organized and effective manner. In the area of program delivery respondents indicated that that the Centres promoted programs and services and there was a good awareness of what the organizations did. Respondents indicated in the surveys that there was enough space or facilities to carry out the current programs and service offered; however, results from the focus groups indicated that there are challenges with space if they needed to increase programs and services. Finally, the respondents reported that the organizations had good financial policies in place that allowed for fiscal control and accountability. It should be noted that many respondents indicated they “did not know” in response to many of the questions asked throughout the questionnaire. This lack of knowledge and understanding of the organizations’ overall operations may be telling in itself in terms of capacity as it relates to the area of governance and leadership.

Survey results did identify a few areas where respondents indicated some issues which can impact the capacity of the organizations. Respondents indicated that board members are not very involved in reviewing the performance of the senior staff (Executive Director and Director of Programs and Services) on a regular basis in accordance with best practices, nor do they have much role in the hiring of any other staff within the organization. A larger issue identified in the survey indicated that boards have little or no involvement in seeking alternative funding necessary for the organization to operate or deliver programs. The survey indicated a very strong response from board members and staff that the organizations did not have enough staff to carry out the work of the organization. Financially the survey found that respondents reported that boards did not have any type of fundraising plan in place for the organization. The respondents also indicated that they (the Board) were not sure if the organization met the reporting requirements necessary for the organizations' funders. Finally, the survey results found that in the area of human resources many board members said that the organization did not have enough staff to carry out the work of the organization. Respondents also said that the boards do not have a proper job description for staff or volunteers that reflects the work they do.

5.3 Phase 2: Focus Groups

The focus groups were a valuable means to acquire information regarding the capacity of the organizations. The participation from the focus groups was quite high and there was a good board representation both from those who represent the neighbourhoods themselves and the resource persons from the broader community. The questions asked as part of the focus group discussion expanded on the responses from the surveys in the same key capacity areas (i.e., governance and leadership, funding, human resources and program delivery). These questions fueled a great discussion from respondents that allowed an even clearer understanding of the capacity challenges of the organizations.

Governance and leadership was also discussed in the focus groups as a means to further probe from questions asked in the survey. The organizations did not feel that board retention was a challenge; two centres even had a waiting list for the board members. In terms of leadership two issues were evident in all focus group discussions. First, there was no succession plan in place for new members entering the board of directors. Secondly, board respondents indicated that there are no real training opportunities for the boards. Any training that did occur was done when members could obtain it free through other organizations. This has created a challenge when trying to develop and sustain strong leadership which is necessary to move the organization forward and meet challenges in an effective and efficient way.

In discussion on program delivery and impact, respondents indicated that the challenges associated with programming have been related with not having the appropriate facilities to expand programs and services offered. Lack of space and facilities has really limited some of the centres as they try to expand programs to meet the increased needs identified by community residents. Short term grants are associated with lack of space which is a challenge to sustaining programs, both in terms of having operational materials and staff.

With respect to financial capacity it was identified that all three organizations were core funded by the same provincial source. This amount accounted for about 40% of all funding based on numbers from the audited financial statements. Other funding was derived from a mix of other government sources, business and private donations. It was indicated through the focus group that the rural Community Centre (Centre C), because of its remote location, had less opportunity for business and private funding sources; businesses were just not there.

The focus groups at each site were asked what were the most pressing financial issues facing the organization. The foremost challenge was the problem of short term funding sources (e.g., 4-12 months) which has resulted in inconsistency of programs and services as many are only able to be offered for short periods of time. Centres had provided some great programs that the communities benefitted from but unfortunately were discontinued due to the funding timeline. Many of the short-term grants also come with stipulations on who can be hired and what the funds can be spent on. It was also discussed that in many instances short-term grants include a reporting process which can be time consuming especially if the organization has a lot of active grants. Finally, supported by findings from the survey research, is was also identified in the focus groups that the boards do not actively participate in fundraising initiatives and are only involved in passing on of information about funding sources or opportunities.

Respondents also discussed the human resources (staff and volunteers) of the Centres. With respect to staff, respondents indicated that staff retention was an issue. The participants indicated that because much of the funding is short term, retaining good staff was a challenge. Staff are likely to move on if another long term job opportunity arises. This has made it difficult to build relationships with community residents and hence stability for the organization in terms of delivery of programs and services. Retention was also impacted as the organizations, due to short term grants and funding, could not match the salary and benefits of other organizations or agencies. This was a common and strongly point made from all of the focus groups. The rural community centre identified the availability and opportunity for training as a particular challenge to their organization. The rural region did not have local people who could carry out training with staff. If training was required staff had to travel to more urban areas resulting in greater costs or in many instances they had to bring in trainers from urban areas which is costly. Thus staff training in rural areas is a challenge from both a human resource and financial perspective.

The focus group comments and discussion supported some of what was identified in the survey results while providing greater insight into the challenges that the organizations faced. The focus group interviews were also important in that they allowed respondents to talk a bit more openly and give clarification and increased information on the various areas of capacity. It was also shown that challenges in these areas are inter-connected. For example, short term funding creates staffing challenges and in turn impacts the delivery of programs and services.

5.4 Phase 3: Document Review

As the part of the qualitative phase of this case study a document review was completed. The study examined various documents in the areas of policy, governance, finance and programming. There were a few documents that all three organizations had as part of their operations: audited financial statements; a policies and procedures manual; and a constitution. Upon further examination it is important to note that these are documents that are required by legislation or by the core funder for the purpose of ongoing financial support. These documents are critical to the organizations' operation and stand to give direction to the governance and financial accountability of the organizations. The document review produced little results as the three organizations provided only a few other documents asked for as part of the review. Centres A and B were able to provide both board and volunteer orientation manuals while Centre C provided a staff training manual. None of the organizations had documents which helped support board leadership. The organizations did not have succession plans for transitional leadership at the board level. Two of the centres did not have staff training manuals for new staff necessary to help them transition into the organization. In the area of programming none of the organizations provided program evaluation forms; this is not to say that evaluations are not done via focus group or informal feedback. There was no documentation provided that outlined program goals and objectives or policies of programs as a whole. Finally, none of the organizations were able to provide long-term proposed budgets.

The lack of written governance, program and human resource documentation certainly identifies a gap in policy and procedures that is critical to the effectiveness and efficiency of the organizations in various areas. Lack of documentation does not necessarily indicate that administration and operation is not taking place. For example, lack of documentation on evaluations, orientations and policies does not necessarily indicate these procedures are not in place, as they could be done more informally. However, lack of documentation does indicate issues with organizational direction and sustainability and questions the capacity of the organization to withstand potential hurdles and major problems.

5.5 Overall Capacity Assessment

The data in this study does not suggest there are major issues with the overall capacity of the organizations but does point to broad challenges in the various areas of capacity. The rural centre found that there are additional capacity challenges associated with being located in a rural area. The following section discusses what this means in terms of capacity challenges of nonprofit organizations based on the interpretation of the research findings.

5.5.1 Governance and Leadership

The study identified challenges in the area of board governance and leadership, which are essential to building capacity of nonprofit organizations. The boards of directors in each of the centres functioned as an administrative group meeting on a regular basis to oversee the operation of the centres. While this was done on a consistent basis, there were areas where the capacity of the organizations was impacted due to lack of board functionality.

The boards do not take a large enough role in the organizations outside of the monthly meetings. For example, the boards did not participate in fundraising or fund development initiatives for the organization. Fundraising was left to the staff of the organization to pursue, which puts a large burden on the already extended staff of the organizations.

From a leadership standpoint this study found that boards lacked the necessary orientation and training opportunities for members in order to gain some of the necessary leadership skills to make them more effective board members. Skotnitsky and Ferguson (2005) examined board capacity of nonprofit boards of inner city organizations and found similar results with respondents indicating that lack of understanding of their roles as board members reflected the experience of feeling unprepared for what they were getting into, and of having little guidance in their positions. In this case study, boards lacked a succession plan to train members to take on leadership roles within the board at the executive level. This is reflected in the lack of training manuals and succession plans asked for in the document review. This has resulted in boards not maximizing their capacity through developing leadership that is necessary to provide governance and oversight critical to guiding a nonprofit organization.

Researchers have reported that too little oversight puts the organization at risk for, at best, not achieving some or all of its key strategic objectives (e.g., Day, 2007; Oss, 2003). This study found that the boards were not engaged enough in staff related oversight. They did not review the performance of the Executive Director to ensure they have a plan or vision for the organization. These activities should be a part of a comprehensive process that builds capacity of the staff by ensuring they are doing the job and are moving the organization in a way that reflects the mandate of the organization.

5.5.2 Financial Capacity

This study highlighted challenges with respect to financial capacity of nonprofit organizations. The Centres faced challenges in both the ability to develop and deploy revenues. The financial challenges were the largest capacity challenges the organizations faced in terms of moving them towards the fulfillment of their mandate. Nonprofits, which tend to be dependent on external funding sources, tend to be challenged with securing stable funding (e.g., Carmen, 2009; Hall & Reed, 2003). The capacity of the organizations was greatly impacted by the lack of overall core funding which they received on an annual basis. Although the amount of core funding had increased in the last number of years it was still not adequate to meet the needs of the organizations to carry out their mandate. This is supported by examining the financial audits which were collected for all three sites as part of the document review. The issue of lack of core funding is also identified as a major capacity issue in the literature. For example, lack of core funds was specifically identified in a report which examined the capacity challenges of nonprofit organizations in rural Ontario (Stowe & Barr, 2005). This case study shows that funding trickles down to affect all other areas of the organization such as operational expenses, staffing needs, program expenses and general materials and supplies.

Financial capacity challenges were also evident as it related to the grants and subsidies structure. These organizations have a major reliance on grants which they obtain from various government departments. Many of these grant and subsidies are made available through government departments as they provide funding in return for the delivery of downloaded programs and services. While the organizations did report that grants were helpful to the organization, receiving grant monies also creates challenges; due to their contractual nature there are obviously time limitations for which program and services can be offered as well presenting challenges to maintain staff to carry out the task of the organization. Grants further created staffing challenges in that they stretched already burdened staff resources; staff spend large amounts of time preparing the grants as well as accounting for them via paperwork and reports. These issues were identified in all three data collection phases of the study, as well as supported in the literature which identifies challenges that result when operating an organization on a limited budget

(Wetta-Hall et al., 2004). When governments withdraw these grants for programs, in many cases nonprofit organizations do not have the revenue to offset the withdrawal, resulting in discontinued support and opportunity for clients (Hall & Reed, 2003). The organizations in this study did little in fundraising initiatives outside of the grant structures. This has limited the organizations' ability to find alternative sources of funding, leaving them too reliant on government funding. This reliance on inconsistent funding limits both the sustainability and capacity of the nonprofit organization. As previously discussed the boards do not take any key role in fundraising, leaving it to senior staff alone. This again creates challenges for the organization to secure sufficient funding to achieve its mandate.

The Centres also had financial challenges due to their lack of financial planning. The Centres did not develop comprehensive budgets over multiple years which would allow them to better anticipate surpluses and shortfalls. Budget planning as part of a broader strategic plan would better allow the organizations to efficiently deploy resources over the long-term and lessen problems associated with funding uncertainty (Hall & Reed, 2003; Stowe & Barr, 2005).

It was evident that the rural organization in this case study faced greater financial capacity challenges. The ability to obtain grants was more limited due to less funding allocations to rural regions (based on populations of the areas). The rural centre was also limited financially in its ability to obtain funding from the corporate and business sector. Again there were no identified businesses in the areas, as opposed to the larger urban areas where corporate offices and headquarters are located. The gives urban centres a strategic financial advantage in this regard. Rural area community centres are also limited in that they do not have a concentration of businesses to draw on for donations and in-kind support. This study found that rural nonprofit organizations have more financial challenges in that they are limited in their ability to diversify funding opportunities outside of government grants and subsidies. Research in this area has also identified the lack of funding opportunities as the major capacity challenge of nonprofit organizations in rural Ontario (Stowe & Barr, 2005).

5.5.3 Human Resources

After examining the data collected it is reasonable to suggest that the human resource issues present major challenges for organizations to build capacity. The information obtained from all methods indicated that overall, the organizations did not have enough staff to carry out their core mandate. This is evident in staff shortages required to deliver programs and services and support the day to day administrative needs. Lack of staff as an organizational capacity challenge is reported in the literature, indicating that most community charities do not have adequate human resources to deal with increased demands on their services (Hall & Reed, 2003; Imagine Canada, 2005).

Organizations were also challenged with staffing as a result of the short term grants that they receive. These short term grants only allow the organization to hire staff on a part-time and short-term basis. Programs and services are impacted as they too, in many instances, can only be offered for a minimum duration. This limits the organization's ability to fulfill its programming mandate in a sustainable way. It also suggests that there is significant time and energy put into continuously searching for funding to acquire new staff. The findings from this study also suggest that human resource problems resulting from lack of core funding and short-term grants mean that maintaining the level and quality of staff necessary to grow the organization is compromised. It is difficult for a nonprofit community centre to flourish and advance the mandate of the organization when the staff expertise is not available. Lack of staff and the ability to hire sufficient and qualified staff has a direct impact on the capacity of the organization (Akingbola, 2004; Ban, Faller & Towers, 2003).

The study also indicated that similar issues are faced with volunteers, whom the organizations rely on as part of their program delivery. Volunteers are also only looking for short-term projects and therefore are only with the organization for a short period of time. This creates challenges when trying to deliver programs and services consistently. The organizations, because they operate from a community development model, rely on local neighbourhood volunteers. In many instances these volunteers do not necessarily come with the skill sets that are necessary to deliver the programs and services at the level of quality needed. With respect to both staff and volunteers the organizations do not have enough resources available to them to complete essential training to enhance their capacity and in turn the organization. This is more of an issue given that the organizations have high staff and volunteer turnover. The issue of volunteers as it relates to lack of skills and training necessary to support programs is also identified in a report completed after roundtable discussions with nonprofit organizations that examined how to strengthen the capacity of the nonprofit sector in Canada (Imagine, 2005).

The rural centre in this study had a more challenging concern with respect to staff and volunteers. The ability to recruit and train staff and volunteers was a major issue as well as the ability and inaccessibility to provide staff and volunteers with training opportunities. The rural organization did not have, in many cases, the financial resources to send staff to larger urban areas for training or to bring in resource persons for training. This limits the ability to increase the capacity of staff in the organization. These issues were also identified in a report of capacity challenges of nonprofit organization in rural Ontario communities. The report indicated that people who live in rural communities who are willing to volunteer are often already busy and active in several organizations and do not have to time or energy to volunteer elsewhere (Stowe & Barr, 2005).

5.5.4 Program Delivery and Impact

There was a high awareness among board members and senior staff of the programs and services that were offered by the Centres. The programs were well promoted to the community by means of advertisements through flyers and newsletters. Researchers report that nonprofit organizations are becoming more scrutinized by funders as to whether or not they are meeting desired outcomes (Ebrahim, 2003; Ospina, Diaz & O'Sullivan, 2002). Centres' staff and boards received some feedback and information about programs and services although there was not enough evaluation carried out through more formal processes necessary to gauge whether programs and services really met the needs of residents or really satisfied funders' requirements. This is supported in that no organization was able to provide any type of program evaluation documentation as part of the document request and was supported in the focus group discussions where lack of evaluation was reported. Lack of a formal program evaluation process limits the organizations' capacity to delivery those types programs and services that reflects the mandates of the organizations.

The current facility space met the need for programs and services that were currently being offered within the centres; however, there was not sufficient space in the facilities to expand programs and services in any significant way. Two of the Centres were built as a result of converting existing housing units into Centres which left the space small and divided ("chopped up") program space. These spacing concerns impacted the organizations' capacity to deliver the programs and services that are reflective of the communities' needs. Increasing programs and services will require a major commitment from the core funders to enhance the physical structure of the buildings.

It has been reported that most nonprofit organizations depend on government for over half their program revenues; for many small agencies it comprises their entire budget (Lipsky & Smith, 1990). The Centres' capacity to deliver adequate and relevant programs and services is a direct result of sufficient funding. This creates funding challenges, in that much of the overall funding is either limited or short-term, resulting in programs and services being impacted from a deficit of both program materials and staff. The funding challenges as reported in this case study cut across all aspects of operations and decreased the organizations' overall capacity to deliver those programs and services reflected within their mandates.

5.6 Limitations of the Study

This study had some limitations that may need to be considered when looking at the overall results of the research. One of the major limitations was the fact that there is limited research in this particular area to draw upon. Research on nonprofit organizational capacity is limited and more specifically limited as it relates to capacity challenges of neighbourhood based organizations. Through my research I was only able to identify a few studies which examined capacity building of neighbourhood based centres or associations. In the studies I found the research typically only examined capacity in one particular area such as human resources. This particular study however examined the capacity of centres within four areas. Thus, I believe lack of literature was a limitation to this study as there was not enough past research done to provide a good basis of knowledge to build on.

The role and position of myself as the researcher is also an important consideration with respect to this study. As I have been working within Community Centres for a number of years many of the individuals who participated in this study knew me fairly well. I believe this could have influenced some of the responses to the survey and focus group questions in that individuals may have had a tendency to provide more positive responses or downplay any negative issues.

After looking at the survey responses I regret not completing surveys face to face rather than via self-administration. I believe I would have been able to explain some of the questions in the survey thus making sure that individuals had a better understanding of what was being asked. There were a number of participants who filled out the surveys who did not understand some of the questions given their comprehension and literacy issues. I believe this could have led to answers that were not accurate. This was feedback I received after the data collection of the study from some informal conversations with respondents.

Finally, I wish I had the opportunity to have spoken with more key board members in each of the sites. By default and the timing of the focus groups there were some board members who were not present. I know that these were board members who had been around the Centres for years and I believe could have given some good additional insights to the role of the board, adding perspective on the centres and challenges they faced. I believe they would have made a great contribution to the study given their experiences with nonprofit organizations. In hindsight it would have been a good idea to have conducted one-on-one interviews with some of the key board members who were absent in the focus groups.

5.7 Recommendations for Future Research

While the research as part of this case study was fairly extensive, in that it covered both quantitative and qualitative methods in examining the capacity challenges of these Centres, there is still room for further study. There are several aspects that require additional study in order to understand capacity challenges of neighbourhood-based community centres. First, an expansion of the individuals interviewed or surveyed who are associated with the community centres could be helpful in increasing the knowledge around these capacity issues. This could include the staff of the organizations who are not senior staff or full-time permanent – those staff who were not included in this case study. Part time and project staff would yield new insight into the capacity challenges from the perspective of those who work in the organization under short-term projects and funding.

Further study of key staff who work for the core funders (e.g., government grant administrators) should also be conducted. These staff have often been around for many years and would provide an important perspective as they have seen the growth and challenges from a more arm's length lens and could also provide insight from the perspective of the funder.

Future research should also study a larger number of neighbourhood-based community centres to validate and strengthen the research around the capacity challenges faced by these nonprofit organizations. The sample in this study included three centres of the eight that exist in the province under a similar model. Inclusion of more rural centres would also validate the findings of this study in terms of specific capacity challenges faced in rural areas. This study took place in a small (in terms of population) but geographically large province. Newfoundland may have its own unique challenges in terms of nonprofit organizational capacity and thus it is recommended that this study be replicated in other areas and provinces.

Finally, the areas of organizational capacity studied could also be broadened. This study included capacity areas of governance and leadership, programming, finances, and human resources. Other areas of capacity such as structural capacity, vision and mission could also be examined as capacity challenges of nonprofit multi-mandate organizations. While I did not identify a lot of information in the research around these areas of capacity, exploring them as part of a research study would expand the overall knowledge around capacity challenges.

5.8 Recommendations for Practitioners

This study is significant to many of the practitioners who manage and direct nonprofit organizations. The nonprofit sector is expansive and many challenges exist when it comes to enhancing capacity. The study has highlighted many challenges associated with capacity building of nonprofit community organizations. There are a few recommendations that leaders of these organizations or ones similar to it could take away as a means to enhance capacity of their organizations. Primarily these are issues associated with funding. There is a need to diversify funding opportunities, as constantly relying on government funding may compromise the organization's ability to enhance capacity. Building capacity means organizations need to diversify funding opportunities outside the government realm (Carmen, 2009; Hall & Reed, 2003; Stowe & Barr, 2005). The reliance on government funding, which in many cases is short-term or project-based, will surely leave the organization in a situation of uncertainty and stagnation as much of the funding is inconsistent.

The other recommendation is around leadership development at the board level. The Executive Director or manager has to take a more active role in developing leadership at the board level, via board training opportunities and leadership succession, to help bring both a more engaged and knowledgeable board who can take an active leadership role in planning, managing and identifying resources necessary to enhance the capacity of the organization. These operational duties should not be totally left to the responsibility of senior staff and volunteers. Finally, it is recommended that the organizations be more engaged in planning both in the short and long term. Planning with regards to financial budgeting and program planning will allow the organization and leaders to anticipate shortcomings and challenges to which it can then respond more effectively. Overall, practitioners would certainly benefit from just understanding the capacity challenges associated with nonprofit organizations, as the study covered significant territory in examining the major areas of capacity as it related to nonprofit organizations. Governments should provide training and workshops concerning organizational capacity to staff and boards of nonprofit organizations

5.9 Conclusion

This mixed methods case study was significant to understanding the capacity challenges of nonprofit community based organizations. The study examined four areas of capacity that were identified in the literature as key areas of capacity in nonprofit organizations: board governance and leadership, program delivery, financial management and human resources. This research revealed that nonprofit organizations face a number of challenges that impact their capacity in these areas. This research supported findings from the limited literature and studies that have examined nonprofits organizations' capacity challenges in one or more of the areas mentioned. This case study found that nonprofits have challenges in all areas of capacity examined in the study. The study found that the major challenge facing multi-mandated neighbourhood-based nonprofits was lack of core funding and the issues associated with short-term project based funding. It was found that issues of funding impact and cross all the other areas of capacity. For example, short-term project funding impacts the ability to retain staff, deliver consistent programs and pay for training of staff and board.

The information learned from this study will be important for nonprofit organizations that are seeking information on the capacity challenges associated with the operation of nonprofit organizations. Knowing and understanding these challenges will help organizations to better anticipate and prepare for them. For example, nonprofit organizations can increase capacity if they understand the need to have regular board training and development so as to ensure that they have a strong board who can provide guidance in difficult times.

A significant finding from this study was information learned from the rural nonprofit organization. It was identified that nonprofit organizations in rural areas face a number of challenges. While the issues they face are similar to urban areas, others are unique. The study identified a few unique challenges in terms of funding related to the ability to secure private and business sector funding, which in many cases is critical to funding certain initiatives. Many of these rural areas just do not have these funding opportunities. The challenge of training staff, volunteers and boards also exists within rural non-profit organizations. Due to the rural location the expense of travel and other logistical cost makes providing training and professional development much greater for staff, volunteers and board; hence human resource capacity becomes limited.

This case study adds to the body of knowledge related to capacity challenges of nonprofit organizations. More specifically the current research looked at organizations that have complex broad based mandates; research on the organizational capacity of multi-mandated organizations is limited. Furthermore this study filed a gap in the research by studying the capacity of organizations within a number of capacity areas unlike many studies which have only examined one particular area of capacity. Finally this particular study will be beneficial and relevant to the core government funders of the nonprofit organizations in this study as they (government) try and understand these challenges as a means to better support community centres both financially and otherwise.

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APPENDIX A: STUDY INFORMATION LETTER TO ORGANIZATIONS

School of Human Kinetics and Recreation
St. John's, NL, Canada A1C 5S7

Dear ____________________________________

My name is Jim Crockwell and I am a graduate student at Memorial University of Newfoundland in the in the School of Human Kinetics and Recreation. I am contacting you as Executive Director of the XXXXX Community Centre regarding my Master's research study on **"The Capacity Challenges of Non-profit Organizations."** Thank you for expressing interest in this study. The following provides detailed information about the study. Please read this carefully. If you and your Board are interested in the study please read, sign and return the enclosed Organizational Consent Form.

Purpose of the Study

The purpose of this study is to examine the capacity challenges of nonprofit organizations, more specifically those of community centres that operate in public housing neighbourhoods of Newfoundland and Labrador Housing. This study is important in that it will provide information that will help us better understand the challenges that nonprofit organizations have in trying to fulfill their mandate (capacity). I will write about the results of the study in my thesis and hope to share the results with those professionals who work with nonprofit organizations on a daily basis.
The purpose of this study is not to be critical of, or evaluate, your organization. The information collected for this study will only be used in relation to this research project. The results of study will be used to raise issues around the organizational capacity of nonprofits and will not be used as a formal evaluation of your organization.

Research Process and Procedures

This study is a case study and I am seeking the involvement of a least three Community Centres in NL. The study will involve three phases: 1) survey; 2) document review; and 3) focus groups. All of these data collection phases would take place between September 2011 and April 2012 at times convenient to you, your staff and the Board.

Phase I: Survey

The first phase involves asking the Centre's Board and Senior Staff to complete a questionnaire about people's perceptions about several areas of organizational capacity (programming, finances and funding, human resources, leadership and program delivery). Upon your consent, you would receive a package of surveys that I would ask to be disturbed to the individuals in the three levels of the organizations' management and personnel structures: a) Executive Director; b) Director of Programs and Services; and c)

members of the Board of Directors. I have included a copy of the survey with this information package. The survey is voluntary and the staff and volunteers will consent to complete the study upon completion and return of the survey. Each person will be provided a self-addressed stamped enveloped to return the survey. The questionnaire would take approximately 45 minutes to complete.
Steps that will be taken to ensure informed consent, privacy and confidentiality:

- People will only be asked to complete the survey if I have the consent of your organization
- All participants will be 19 years of age and older
- Agreeing to complete the survey does not mean that one is agreeing to do the focus group
- Participation is voluntary and there no repercussions or judgments will be made if people choose not to take part in the survey
- All surveys will be provided with an identification code (i.e. no identifying information about participants will be collected)
- Results will be reported in aggregate form (community centre level), with no individual results available.

Phase II: Document review
The second phase is a review of organizational documents which are bureaucratic and administrative in nature such as organizational constitutions, policies, meeting minutes and planning reports. The purpose is understand in greater detail what is happening in the organization from a capacity standpoint and support and contrast what is being said in the surveys and focus groups. If you and your Board consent, I would ask to review documents that fall within the four areaa of capacity that make up this study: 1) financial management (e.g., budgets, fiscal planning, and grant applications); 2) program delivery (e.g., program policies, program plans and program evaluations); 3) governance and leadership (e.g., board orientation and training manuals and by-laws); and 4) human resources (e.g., job descriptions of employees and employee and volunteer training manuals).
Steps that will be taken to ensure informed consent, privacy and confidentiality:

- Documents will only be reviewed if I have the consent of your organization
- Participation is voluntary and there no repercussions or judgments will be made if your organization chooses not to take part in the document review phase of the study
- The Executive Director and the Board of Directors choose which documents to share for the review
- You have the right at any point to request that a specific document that you have shared with me not be included in the study
- The Executive Directors and Board of Directors will be provided the opportunity to read the document review information that I collect in order to identify any information that should be removed for reasons of privacy or confidentiality.

Phase III: Focus Group

Phase three of the study involves a focus group with the Board and Senior Staff to seek opinions on the challenges associated with capacity building in nonprofit organizations. Participants for the focus group would include staff and volunteers from the three levels of the organizations' management and personnel structures: a) Executive Director; b) Director of Programs and Services; and c) members of the Board of Directors. The focus group would be approximately 2 hours and would be held at a location that is convenient to your organization (e.g., meeting room at your Centre). The focus group would be audio-recorded. I would ask the group some general questions about the capacity challenges in the organization and questions about various areas of capacity: leadership, funding, human resources and program implementation.

Steps that will be taken to ensure informed consent, privacy and confidentiality:

- People will only be asked to participate in the focus group if I have the consent of your organization
- All participants will be 19 years of age and older
- Agreeing to participate in the focus group does not mean that one is agreeing to complete the survey
- Participation is voluntary and there no repercussions or judgments will be made if people choose not to take part in the survey
- Participants will be assured that their withdrawal from the research will have no repercussions, penalty or harm
- All personal identifying information in the audio recording of the focus groups will be removed from the transcripts
- The Executive Directors and Board of Directors will be provided the opportunity to read the transcripts of the focus groups in order to identify any information that should be removed for reasons of privacy or confidentiality
- Results will be reported in aggregate form (community centre level), with no individual results available

Privacy and Confidentiality

Given the nature of this in-depth case study, I will attempt to maintain the privacy and confidentiality of your organization. However, I cannot guarantee anonymity of the community centres considering that that there are only eight of these centres in the province and all have a relationship which other. Similarly, although no personal information will be collected from individual participants (staff and volunteers), complete anonymity of participation in the study cannot be guaranteed as this professional community is quite small. In addition to some of the steps I outlined above, the following steps will be taken to reduce issues of privacy and confidentiality:

- Community Centres will not be directly named and pseudonym names will be used in all formal documentation and dissemination of the study
- The Executive Directors and Board of Directors of the Organizations will be provided the opportunity to read all data collected and the thesis itself in order to identify any information that should be removed for reasons of privacy or confidentiality

- All data will be kept in a secure location at Memorial University (Physical Education Building) and access to the data will only be given to me and my thesis supervisor (Dr. Angela Loucks-Atkinson). All data will be destroyed after five years
- Data collected will only be used in relation to this research project

Ethics Approval

The proposal of this research has been reviewed by the Interdisciplinary Committee on Ethics in Human Research and found to be in compliance with Memorial University's ethics policy. If you have any concerns about the research (such as the way you have been treated or rights as a participants), you may contact the Chairperson of the ICEHR at icehr@mun.ca or (709) 737-3138.

My Role

For the purpose of full disclosure, you should be aware that I have been employed by local neighbourhood community centres in NL's low-income housing centres for 20 years. Currently, I am the Executive Director of MacMorran Community Centre in St. John's. I believe that my past and current experiences working with nonprofit organizations will be beneficial with respect to this study. Having an "insider" perspective will allow be to be sensitive to your concerns and issues of privacy and confidentiality of the organizations involved in the study. However, my role in this study is as a graduate student researcher and not in my professional capacity through MacMorran Community Centre.

Process of Consent

If you have any further questions or concerns, please feel free to contact me. If you have any further questions or concerns, please feel free to contact me. I am best reached by email at w85jfc@mun.ca or by phone at (709) 753-9442. If your organization wants participate in this study, please carefully read and return (in the self-addressed envelope) the enclosed Organizational Consent Form. This consent form would need to be signed by you, the Executive Director.

Thank you for your interest in this study. Sincerely,
Jim Crockwell

APPENDIX B: ORGANIZATIONAL CONSENT FORM

School of Human Kinetics and Recreation
St. John's, NL, Canada A1C 5S7

Dear ___________________________________

Thank-you for your interest in the study I am conducting: **"The Capacity Challenges of Non-profit Organizations."** The purpose of this study is to examine the capacity challenges of nonprofit organizations, more specifically those of community centres that operate in public housing neighbourhoods of Newfoundland and Labrador Housing. I will write about the results of the study in my thesis and hope to share the results with those professionals who work with nonprofit organizations on a daily basis.

Overview of Procedures:
If your organization agrees to participate in this study, I would ask that a) you distribute a survey to your Board and Senior Staff, b) provide me with copies of organizational documents which are bureaucratic and administrative in nature, and c) provide me with consent to approach your Board and Senior staff to participate in a focus group.

Phase I: Survey

The first phase involves asking the Centre's Board and Senior Staff to complete a questionnaire about people's perceptions about several areas of organizational capacity (programming, finances and funding, human resources, leadership and program delivery). Upon your consent, you would receive a package of surveys that I would ask to be disturbed to the individuals in the three levels of the organizations' management and personnel structures: a) Executive Director; b) Director of Programs and Services; and c) members of the Board of Directors. The survey is voluntary and the staff and volunteers will consent to complete the study upon completion and return of the survey. Each person will be provided a self-addressed stamped enveloped to return the survey. The questionnaire would take approximately 45 minutes to complete.

Phase II: Document Review

This study involves a document review with the purpose of understanding what is happening in the organization from a capacity standpoint. I will you to provide me with organizational documents to review that fall within the fours area of capacity that make up this study: 1) financial management (e.g., budgets, fiscal planning, and grant applications); 2) program delivery (e.g., program policies, program plans and program evaluations); 3) governance and leadership (e.g., board orientation and training manuals and by-laws); and 4) human resources (e.g,, job descriptions of employees and employee and volunteer training manuals). Documents will only be reviewed if I have the consent of your organization. The Executive Director and the Board of Directors choose which documents to share for the review. Your organization has the right at any point to request that a specific document that you have shared with me not be included in the study. The

Executive Director and Board of Directors will be provided the opportunity to read the document review information that I collect in order to identify any information that should be removed for reasons of privacy or confidentiality**.**

Phase III: Focus Group

Phase three of the study involves a focus group with the Board and Senior Staff to seek opinions on the challenges associated with capacity building in nonprofit organizations. Participants for the focus group would include staff and volunteers from the three levels of the organizations' management and personnel structures: a) Executive Director; b) Director of Programs and Services; and c) members of the Board of Directors. The focus group would be approximately 2 hours and would be held at a location that is convenient to your organization (e.g., meeting room at your Centre). I am asking your organization's consent to approach these individuals to invite them to participate in the focus group.

Benefits, Risks & Confidentiality:

There are minimal risks associated with this study. The purpose of this study <u>is not to be</u> critical of or evaluate your organization. The information collected for this study will only be used in relation to this research project. The results of study will be used to raise issues around the organizational capacity of nonprofits and will not be used as a formal evaluation of your organization. You will receive a report at the end of the study outlining strategies and recommendations to increase the capacity of your organization. The participation of your organization is voluntary, and you can refuse to answer any questions or provide any documents without giving any reason and without ramifications. Your organization can ask to have all the information about your organization returned, removed from the research records, or destroyed.

Given the nature of this in-depth case study, I will attempt to maintain the privacy and confidentiality of your organization. However, I cannot guarantee anonymity of the community centres considering that that there are only eight of these centres in the province and all have a relationship which other. The following steps will be taken to reduce issues of privacy and confidentiality:

- Your Community Centre will not be directly named and pseudonym names will be used in all formal documentation and dissemination of the study;
- The Executive Directors and Board of Directors will be provided the opportunity to read all data collected (i.e., document review data, transcripts, etc.) and the thesis itself in order to identify any information that should be removed for reasons of privacy or confidentiality;
- All surveys will be provided with an identification code (i.e. no identifying information will be entered into the database);
- All personal identifying information in the audio recording of the focus groups will be removed from the transcripts;
- Data will only be reported in aggregate form (community centre level), with no individual results available;

- All data will be kept in a secure location at Memorial University (Physical Education Building) and access to the data will only be given to me and my thesis supervisor (Dr. Angela Loucks-Atkinson). All data will be destroyed after five years; and
- Data collected will only be used in relation to this research project;

The proposal of this research has been reviewed by the Interdisciplinary Committee on Ethics in Human Research and found to be in compliance with Memorial University's ethics policy. If you have ethical concerns about the research (such as the way you have been treated or your rights as a participant), you may contact the Chairperson of the ICEHR at icehr@mun.ca or by telephone at (709) 737-2861.
If you have any further questions or concerns, please feel free to contact me. I am best reached by email at w85jfc@mun.ca or by phone at (709) 753-9442.

Consent:
Signing this form gives your organization's consent to be included in this case study. It tells me that you have understood the nature of the study and received satisfactory answers to your questions. By signing this form, your organization is agreeing to take part in the study but can leave the study at any time.

☐ Yes	☐ No	We have read and understand the above information. We have had the opportunity to ask questions about the study, and my participation and rights.
☐ Yes	☐ No	Our organization gives consent to participate in this case study.
☐ Yes	☐ No	Our organization gives consent for the researcher to conduct a survey with our Board of Directors and Senior Staff.
☐ Yes	☐ No	Our organization gives consent for the researcher to approach our Board of Directors and Senior Staff to invite them to participate in a focus group.

Name (please print): ______________________________

Name of Organization: ______________________________

Professional Title: (e.g., Executive Director) ______________________________

Signature: ______________________________

Date: ______________________________

APPENDIX C: QUESTIONNAIRE

THE CAPACITY CHALLENGES OF NON-PROFIT ORGANIZATIONS

Thank you for taking the time to complete this survey. I want to learn the capacity challenges of nonprofit organizations, more specifically those of community centres that operate in public housing neighbourhoods of Newfoundland and Labrador Housing. There are no correct or right answers to any of the following questions. Please respond to the best of your ability, indicating how you feel about the particular topic. Please be open and honest in your responses.

PART I: COMMUNITY CENTRE'S ORGANIZATIONAL CAPACITY

We are interested in your opinions about various issues related to the capacity of your organization in terms of 1) governance and leadership, 2) program delivery and impact, 3) financial management, and 4) human resources. Please read each of the following statements, and using the scale below, please indicate to what extent the following items are true (1 = "True," 4 = "Never or Not True").

GOVERNANCE AND LEADERSHIP

	TRUE	MOSTLY TRUE	SOME-TIMES TRUE	NEVER OR NOT TRUE	DON'T KNOW
Board Meetings & Board Work					
Our board meets regularly.	1	2	3	4	DK
Our board achieves quorum almost all the time.	1	2	3	4	DK
Our board has a work plan for what it wants to achieve each year and evaluates its progress regularly.	1	2	3	4	DK
The board's work plan is consistent with our agency's longer term goals or objectives.	1	2	3	4	DK
Board Structure & Composition					
Our board has effective ways of organizing its work.	1	2	3	4	DK

Our board has a process that helps us recruit new board members.	1	2	3	4	DK
We have a range of skills on the board.	1	2	3	4	DK
We have a process to ensure that our board reflects the diversity of the community that we strive to serve.	1	2	3	4	DK
Board Development					
We orient new board members to the agency and the board.	1	2	3	4	DK
We use board development activities to improve our board skills and knowledge.	1	2	3	4	DK
Oversight & Accountability					
Our board regularly asks questions about whether we are meeting funder requirements.	1	2	3	4	DK
Our board has the skills needed to help us evaluate whether agency resources are adequate and protected against loss.	1	2	3	4	DK
The Executive Director keeps us informed of program and service issues and accomplishments.	1	2	3	4	DK
We keep our funders fully informed about issues that are relevant to them.	1	2	3	4	DK
Board Role & Conduct					
The Executive Director is the only staff person that our board hires and directs.	1	2	3	4	DK
When our board members work as volunteers in other parts of the organization, staff guide them.	1	2	3	4	DK

Our board has adopted policies to guide the conduct of the board members (e.g., confidentially, conflict of interest, and anti-discrimination/ anti-harassment)	1	2	3	4	DK
Board members make decisions or direct the work of the organization as a full board, not as individuals.	1	2	3	4	DK
Our board is directly involved in raising money for the organization.	1	2	3	4	DK
In addition to donating their time, where possible, Board members contribute financially to the agency.	1	2	3	4	DK
Legal Obligations					
We always have quorum at our Annual General Meetings.	1	2	3	4	DK
We keep a record of all board and board committee meetings.	1	2	3	4	DK
We review our by-laws regularly to ensure that they are consistent with corporate law and how we direct and structure our work.	1	2	3	4	DK
Board-Executive Director Relationships					
We have a job description that reflects the work that the Executive Director performs on a day-to-day basis.	1	2	3	4	DK
Our board reviews the Executive Director's performance every year to two years.	1	2	3	4	DK
Our board has identified the need to hear from the Executive Director about situations that present a significant risk to the agency and the board.	1	2	3	4	DK

Executive Director Role					
The Executive Director is able to set time aside to supervise and support individual staff members who report to him or her.	1	2	3	4	DK

Do you have any other comments to make regarding the capacity of your organization in terms of **governance and leadership**?

PROGRAM DELIVERY AND IMPACT

	TRUE	MOST LY TRUE	SOME-TIMES TRUE	NEVER OR NOT TRUE	DON'T KNOW
Approach to Service					
Our board has approved a statement of rights and responsibilities that applies to the people that we serve.	1	2	3	4	DK
We advise constituents of their rights and responsibilities.	1	2	3	4	DK
Our staff delivers programs and services in a way that is consistent with the values of the organization.	1	2	3	4	DK
We make the people that we serve aware of resources available within the organization and elsewhere.	1	2	3	4	DK
We support and encourage the people that we serve to ask questions and make their own choices.	1	2	3	4	DK
Boundaries (between staff and constituents/service users)					
Our organization has approved policies that guide staff-service user relations (e.g., policies about receiving and giving of gifts, socializing, and communications)	1	2	3	4	DK

Our staff are aware of the policies that guide their work.	1	2	3	4	DK
Our staff are encouraged to seek advice about staff-service user relations.	1	2	3	4	DK
Constituents/Service User Feedback (satisfaction, complaints, opinions)					
Our board has approved a policy and/or procedure for constituent and service user feedback including complaints.	1	2	3	4	DK
We support and encourage the people that we serve to provide feedback (including complaints).	1	2	3	4	DK
We offer many ways to provide feedback.	1	2	3	4	DK
Our board reviews reports that summarize constituent/service user feedback on a regular basis. This information is used to identify patterns of issues that need to be addressed.	1	2	3	4	DK
Monitoring & Evaluation					
We monitor use of our programs and services on a regular basis.	1	2	3	4	DK
We summarize constituent/service data to guide us in determining the types of programs services we should provide.	1	2	3	4	DK
Our programs and services are evaluated regularly for efficiency and effectiveness.	1	2	3	4	DK
We have improved our programs and services based on the results of our evaluations.	1	2	3	4	DK
Range & Capacity of Programs and Services					

Our organization provides a range of programs and services.	1	2	3	4	DK
We have adequate space for current programs and services.	1	2	3	4	DK
We have the capacity to expand programs and services.	1	2	3	4	DK
When we cannot provide service to a person who has contacted our agency, we make referral.	1	2	3	4	DK
Application of Standards, Norms, & Best Practices					
Our staff are qualified to do their jobs.	1	2	3	4	DK
Where possible, we use programs or approaches that are known to be effective.	1	2	3	4	DK

Do you have any other comments to make regarding the capacity of your organization in terms of **program delivery and impact**?

FINANCIAL MANAGEMENT

	TRUE	MOST LY TRUE	SOME-TIMES TRUE	NEVER OR NOT TRUE	DON'T KNOW
Financial Management (including budgeting)					
Our board has approved financial policies. For example, our policies cover financial reporting and safeguards such as: the need for monthly bank reconciliations, limits on signing authority, and requirements regarding the approval of expense claims.	1	2	3	4	DK
Our board has approved an annual budget.	1	2	3	4	DK

The budget is based on the money we expect to receive from our funders and donors, and what we expect to spend.	1	2	3	4	DK
We distribute our resources according to our funder commitments and our board's priorities.	1	2	3	4	DK
Our staff are supported and encouraged to help with the development of the annual budget.	1	2	3	4	DK
Our board reviews financial information at least every three months.	1	2	3	4	DK
Every year, we receive an independent financial audit.	1	2	3	4	DK
Risk/Health & Safety					
Our board has addressed risk of loss or damage by approving occupational health & safety policies.	1	2	3	4	DK
Our board has addressed risk of loss or damage by making sure that we have liability and property insurance.	1	2	3	4	DK
Our board has addressed risk of loss or damage by making sure that there is a complaint process.	1	2	3	4	DK
We keep an inventory of capital assets.	1	2	3	4	DK
We protect confidential information (e.g., store personal information in a locked filing cabinet, use secure passwords)	1	2	3	4	DK
We protect information that is important to our agency's work (e.g., back up all of our electronic data weekly or more frequently, up-to-date virus protection software and use it).	1	2	3	4	DK
Our staff carry out monthly safety inspections.	1	2	3	4	DK

Our staff know how to respond to emergency or crisis situations.	1	2	3	4	DK
We follow provincial health and safety law.	1	2	3	4	DK
Fundraising					
Our board has an approved plan that guides fundraising activities.	1	2	3	4	DK
Our donors are recognized for their contributions.	1	2	3	4	DK
We tell our donors about how their donations are distributed.	1	2	3	4	DK
Our agency maintains its not-for-profit charitable status.	1	2	3	4	DK
Funder Accountability					
We always meet our funders' requirements for reporting information.	1	2	3	4	DK
Sustainability (Funding Sources)					
Our agency has a mix of funding sources.	1	2	3	4	DK
We have the skills to generate revenues (e.g., identifying funding sources, writing successful funding proposals, and developing creative events for fundraising)	1	2	3	4	DK
We have a plan to deal with situations where revenues fall short of projections.	1	2	3	4	DK

Our agency prepares monthly cash flow statements to track revenues received and money spent.	1	2	3	4	DK

Do you have any other comments to make regarding the capacity of your organization in terms of **financial management**?

HUMAN RESOURCES

	TRUE	MOST LY TRUE	SOME-TIMES TRUE	NEVER OR NOT TRUE	DON'T KNOW
Staffing Relationships & Structure					
We are able to work with people from different cultures.	1	2	3	4	DK
Our organization chart provides a clear picture of the structure of our organization.	1	2	3	4	DK
Our staff work in different parts of the organization when needed.	1	2	3	4	DK
Generally, we have enough staff to do the work assigned to us.	1	2	3	4	DK
We have the appropriate mix of staff and volunteer skills as well as experience to achieve our mission.	1	2	3	4	DK
Our staff salary and benefits levels are reviewed regularly.	1	2	3	4	DK
Staff turnover is manageable.	1	2	3	4	DK
Working Environment					
Staff have written job descriptions that reflect the work they do.	1	2	3	4	DK

Teamwork is used and valued in our organization. For example, our staff are encouraged to collaborate with other staff in responding to difficult situations or in developing new concepts or program ideas.	1	2	3	4	DK
Our staff have access to the information, tools, equipment, technology and other resources we need to do their jobs effectively and efficiently.	1	2	3	4	DK
Our staff receive regular supervision and support.	1	2	3	4	DK
Our staff are encouraged to bring forward new ideas about how to improve our agency's work.	1	2	3	4	DK
Staff are comfortable asking questions or identifying problems.	1	2	3	4	DK
Staff morale is good.	1	2	3	4	DK
Staff Training & Development					
Staff have opportunities to improve their skills.	1	2	3	4	DK
We have performance reviews three and six months after being hired, and at least every two years after that.	1	2	3	4	DK
Our staff are recognized for their accomplishments.	1	2	3	4	DK
Human Resource Policies & Procedures					
We have policies that describe staff rights and responsibilities. These policies are available to all staff.	1	2	3	4	DK

Volunteers					
Volunteer turnover is manageable.	1	2	3	4	DK
Volunteers have written job descriptions that reflect the work they do.	1	2	3	4	DK
Our volunteers have access to the information, tools, equipment, technology and other resources they need to do their jobs effectively and efficiently.	1	2	3	4	DK
Our volunteers receive regular supervision and support.	1	2	3	4	DK
Volunteer morale is good.	1	2	3	4	DK
We have policies that describe volunteer rights and responsibilities. These policies are available to all staff.	1	2	3	4	DK
Volunteers have opportunities to improve their skills.	1	2	3	4	DK
Our volunteers are recognized for their accomplishments.	1	2	3	4	DK

Do you have any other comments to make regarding the capacity of your organization in terms of **human resources**?

Do you have any other comments that you would like the share?

PART II: BACKGROUND INFORMATION

1. **Name of the community centre you are employed or volunteer with:**
   ____

2. **How long have you been involved with the community centre overall?**

   ______________ (months) ______________ (years)

3. **What is your <u>current</u> role in the community centre (Please check one):**

   Executive Director

   Director of Programming and Services

   Chair, Board of Directors

   Volunteer

   Other: ________________________________

4. **Is your role at the community paid or volunteer (Please check one):**

   - ☐ Paid, full-time
   - ☐ Paid, part-time
   - ☐ Volunteer

5. **How long have you been in this <u>current</u> role (Question 3) at the organization?**

   _____________ (months) _____________ (years)

6. **What other <u>past</u> roles have you held in the community centre (Please check ALL that apply):**

   - ☐ Executive Director
   - ☐ Director of Programming and Services
   - ☐ Chair, Board of Directors
   - ☐ Volunteer
   - ☐ Other: ________________________________

7. **Have you ever been involved with other non-profit organizations/groups?**

   - ☐ No
   - ☐ Yes (please list organization names and your role)

   ____

   ____

   ____

   ____

8. Have you been involved with for- profit organizations?

- ☐ No
- ☐ Yes (please list organization names and your role)

____

____

____

____

9. Are you…

- ☐ Male
- ☐ Female

10. What is you date of birth? Month __________ Year ___________

11. What is the highest level of education you have obtained (please check one)

- ☐ No schooling
- ☐ Elementary school (grades 1-6)
- ☐ Some secondary school/high school (grades 7-12)
- ☐ Secondary school/high school graduate
- ☐ Graduate Education Diploma/Adult Basic Education
- ☐ Some trade school/college
- ☐ Some university
- ☐ Certificate or diploma from a trade school or college. Please state major: ___________________
- ☐ Bachelor Degree. Please state major: ___________________
- ☐ Masters/Doctorate. Please state major: ___________________

12. What is your current marital Status? (please check one)

- ☐ Single
- ☐ Married/ Common law
- ☐ Significant other/partner not living in same residence
- ☐ Separated/Divorced

13. Please check the category into which your annual household income falls: (please check one)

- □ Less than 10,000
- □ 10,000 - 19,999
- □ 20,000 - 29,999
- □ 30,000 - 39,999
- □ 40,000 - 49,999
- □ 50,000 - 59,999
- □ 60,000 - 69,999
- □ 70,000 - 79,999
- □ 80,000 - 89,999
- □ 90,000 - 99,999
- □ 100,000 and above

14. A) Are you a current resident with NL Housing in the Centre's surrounding community?

- □ No
- □ Yes

B) If not an NL housing resident (No to Questions 14A), do you reside/living close to the Community Centre?

- □ No
- □ Yes

******* Thank you for your time in completing the survey.**
Please return the survey in the enclosed stamped, addressed envelope. ******

APPENDIX D: FOCUS GROUP CONSENT FORM

School of Human Kinetics and Recreation
St. John's, NL, Canada A1C 5S7

Thank-you for agreeing to participate in the focus group for study I am conducting: **"The Capacity Challenges of Non-profit Organizations."** The purpose of this broader study is to examine the capacity challenges of nonprofit organizations, more specifically those of community centres that operate in public housing neighbourhoods of Newfoundland and Labrador Housing. The purpose of this focus group with the Board and Senior Staff is to seek opinions on the challenges associated with capacity building in nonprofit organizations. I will write about the results of the study in my thesis and hope to share the results with those professionals who work with nonprofit organizations on a daily basis.

Purpose:
I am asking your consent to be in a focus group for my study because I am interested in your views of issues and challenges with capacity building in nonprofit organizations. To participate you must be at least 19 years of age, be a paid staff or volunteer in the role of Senior Staff or Board of Directors in a community centre operated in public housing neighbourhoods of Newfoundland and Labrador Housing. The focus group will take approximately 2 hours.

Overview of Procedures:
If you agree to participate in the focus group, I will audiotape the group interview and type out the discussion of the group at a later date. I would ask the group some general questions about the capacity challenges in the organization and questions about various areas of capacity: leadership, funding, human resources and program implementation. All of your personal identifying information in the audio recording of the focus groups will be removed from the transcripts. The Executive Director and Board of Directors of your organization will be provided the opportunity to read the transcripts of the focus group in order to identify any information that should be removed for reasons of privacy or confidentiality. Only my thesis supervisor and I will have access to the audio recordings and written transcripts and they will be stored securely at Memorial University of Newfoundland for 5 years after which they will be destroyed.

Benefits, Risks & Confidentiality:
There are minimal risks associated with this study. The purpose of this study is not to be critical of or evaluate your organization. The information collected for this study will only be used in relation to this research project. The results of study will be used to raise issues around the organizational capacity of nonprofits and will not be used as a formal evaluation of your organization. Your organization will receive a report at the end of the

study outlining strategies and recommendations to increase the capacity of your organization.

Given the nature of this in-depth case study, I will attempt to maintain the privacy and confidentiality of you and your organization. However, I cannot guarantee anonymity of the community centres considering that that there are only eight of these centres in the province and all have a relationship with each other. Similarly, although no personal information will be collected from you complete anonymity of participation in the study cannot be guaranteed as this professional community is quite small. Your participation in this focus group is voluntary, and you can refuse to answer any questions without giving any reason and without ramifications. The results of your participation will be confidential and no identifying information about you will be collected. You can ask to have all the data and information about you returned, removed from the research records, or destroyed. No individual data will be reported, and only aggregate data with summaries will be available.

If you have any further questions or concerns, please feel free to contact me. I am best reached by email at w85jfc@mun.ca or by phone at (709) 753-9442.

The proposal of this research has been reviewed by the Interdisciplinary Committee on Ethics in Human Research and found to be in compliance with Memorial University's ethics policy. If you have ethical concerns about the research (such as the way you have been treated or your rights as a participant), you may contact the Chairperson of the ICEHR at icehr@mun.ca or by telephone at (709) 737-2861.

Consent:

Signing this form gives your consent to be interviewed in the focus group. It tells me that you have understood the nature of the study and received satisfactory answers to your questions. By signing this form, you are agreeing to take part in the focus group but can leave the study at any time.

I have read and understand the above information. I have had the opportunity to ask questions about the study, and my participation and rights. I consent to participate in the focus group study.

Name: ____

Signature: ____

Date:____________________

APPENDIX E: FOCUS GROUP INTERVIEW GUIDE

General Capacity Challenges

1. What are some of strengths around organization capacity of your community centre?

2. What are the most important capacity challenges of nonprofit organizations?

3. What are the most important capacity challenges of your community centre?

Financial Capacity

1. How is your organization funded?

   Probe: If Government, what levels of Government?
2. What are the most pressing financial challenges faced by your organization?
3. What are some of the problems that you organization has faced with regards to grants?
4. (Rural organization) What do you feel are challenges that face rural communities specifically?

   Probe: What strategies have you used to overcome these challenges?
5. Does the organization fundraise?

   Probe: What are the challenges with fundraising? Do you have Fundraising plan? Does the Board help?

Human Resource Capacity

1. Tell me about your paid staff, for example how many do you have, are they full time, part time, contract?
2. What are the biggest challenges that your organization faces with respect to paid employees?

   Probe: What about issues of recruitment

   Probe: How do train staff?

   Probe: Are you able to retain staff?

   Probe: Do staff experience burnout?
3. What challenges do you face with respect to volunteers?

Governance & Leadership

1. What challenges does the Board of Directors face?

    Probe: Do you have issues with Board retention?

    Probe: How to you train your Board? Do you have an issues with training?

    Probe: Do you have issues with burnout from the Board?

    Probe: Do you have problems recruiting Board Members?

    Probe: Do you have problems recruiting people with certain skills?

2. Is the board guided by a clear mission/mandate or vision?
3. Does the constitution provide a meaningful framework to work from?
4. Are there challenges around leadership or leadership succession?
5. Is there clear distinction between the role of the board and the Executive Director?

Program Delivery & Impact

1. What are the challenges associated with the delivery of programs and services?

    Probe: Do you have problems with the funding structures of programs and services?

    Probe: What are strengths and weaknesses related to staff?

    Probe: What are strengths and weaknesses related to volunteers?

    Probe: What are strengths and weaknesses related to physical space?

2. What processes are in place for continuous monitoring of programs?

    Probe: Do you do program evaluation?

    Probe: Do you monitor program and service budgets?

    Probe: Do you have an evaluation system?

    Probe: How do you get feedback about programs and services?

Closing/Wrap-Up

1. Is there anything else that you want to further discuss?

2. Is there anything else that you feel has not been raised today?