Accreditation's Impact on Organizational Capacity: A Data - Mining Study

By

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Abstract

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This study explores what relationship, if any, exists between accreditation and organizational capacity in nonprofit social service organizations.

Organizational capacity refers to the total output or activity necessary to achieve the organization's mission; it is inclusive of eight elements, deemed by the literature, as relevant for organizations' effectiveness and sustainability. The Council on Accreditation (COA), a national accrediting body, affords organizations the opportunity to implement nationally-vetted administrative and management standards, intended to build organizational capacity.

This is a practice based research (PBR) study that employs available data *mined* from organizations engaged in accreditation process. A developmental perspective provides insight into the capacity needs of the two hundred and sixty-five organizations in the study. The diverse characteristics of these organizations reveal significant associations with selected organizational capacity elements: mission clarity, financial management, information and technology, and performance quality improvement.

This prospective study employs a routinely administered pre- test, prior to beginning the accreditation process, and post- test, after completion of accreditation on their capacity. The survey data is compared to the organization's accreditation outcomes.

Noteworthy findings include support for assessment as an act of capacity building. Fifty-nine percent of organizations completing the post-test indicate increased capacity as compared to nine percent that indicate no post-test change in capacity, and thirty- two percent that indicate reduced post-test capacity. Organizations in all three cohorts (increased, neutral, or reduced capacity), had good or better accreditation outcomes. However, organizations with insufficient outcomes were those seeking reaccreditation and in the cohort that assessed reduced post-test capacity. Organizations that assessed increased or no change in capacity had good to excellent outcomes as indicated by the vehicle of accreditation.

Support for organizations to utilize accreditation as a vehicle to expand their capacity, has implications for funding for organizations' development. Further research can explore whether effectively managed organizations have quality service delivery systems, and positive outcomes for persons served.

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Irwin critiques without about being critical, is intense about the work and calm in demeanor; thorough, but concise; reassuring and direct. He doesn't waste time, but you never feel like you have been rushed. He has the best sense of humor and is down to earth. He appreciates how students balance life's priorities. Working with him is an education in scholarship, and its process. He has integrity and a sense of perspective that enriches the experience. I am so very grateful that he agreed to work with me on my dissertation.

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12/18/08

Dedication

For my grandmothers, Bridget Mitchell and Ellen Williams for their roots, strength and resilience,
For my father, Weldon "Sonny" and my brother, Weldon "Guy" for their love, laughter and spirit,
For my mother, Barbara Williams and my sister, Cheryl Thompson for their unending faith and support,
For my husband, Kip, for being the wind beneath my wings,
And for my son Ian, who brings meaning, purpose and joy to my life.

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Introduction

This study explores what relationship, if any, exists between accreditation and change in organizational capacity in nonprofit, social service organizations. The nonprofit sector is diverse in scope, mission and role within the national landscape. The breadth and depth of the nonprofit community has contributed to social innovations and service delivery in our society. However, nonprofit organizations have vulnerabilities*:* organization and sector development (Koroloff & Briggs, 1996; Light, 2002; Simon, 2001); economic stability and sustainability (Salmon, 1994; Oster, 1995; Frumkin, 2002) and the ability to demonstrate effectiveness and accountability as providers of services (Patti, 1988). Constant shifts in the socio-economic and political landscape further complicate nonprofit organizations' ability to manage growth, development and capacity needs. These external dynamics must be managed while taking into account each organization's life stage, developmental tasks and capabilities. Organizational development theory is the basis for understanding how organizations navigate a route towards sustainability.

Organizational capacity is important for nonprofit organizations to be sustainable and purposeful; it refers to the total output or activity necessary to achieve the organization's mission. Specifically, organizational capacity is the means of, or activities that, enhance the leadership, management and operations, strategic planning, human resources and technology to improve organizational effectiveness (Blumenthal, 2003; McKinsey, 2001).

The Council on Accreditation (COA), a national, independent accreditor of human and social service organizations, affords organizations the opportunity to implement nationally vetted standards. Administrative and management and service standards are applied in practice through a self-assessment and independent review process, intended to build organizational capacity. As such, accreditation can be regarded as a means to promote organizational capacity (Morison Murphy, 2005). In this study, accreditation is the intervention, vehicle or method for change.

The relationship between accreditation and organizational capacity in nonprofit social service organizations is the subject of this research. Specifically, what is the relationship between completing the accreditation process and change in organizational capacity for nonprofit social service organizations? The organization's stage of development, when beginning the accreditation process, is expected to influence change in capacity, if any, in the organization.

Chapter One

A Context for Understanding Nonprofit Organizations and Capacity Building

Nonprofit organizations provide an array of important human service to individuals, groups, families and communities. The roles and functions of the nonprofit organizations will be delineated to provide an understanding of the sector's breadth and scope.

Capacity building is a means of enhancing organizational effectiveness to support service delivery. The relevance and need for capacity building in nonprofit organizations is discussed. Organizations can choose a variety of alternatives that support enhancing capacity; yet, they face multiple challenges in regard to building capacity. These challenges include: the organization's ability to balance its developmental stage and needs with external forces and pressures; the sector's self perception; and economic stability as influenced by its relationship to government. This discussion will also explore the challenges nonprofits have in demonstrating both effectiveness and accountability.

The areas of challenge to nonprofit organizations are related to core competencies associated with organizational capacity: mission, leadership, financial, information technology and human resources, community linkages, cultural competence and performance quality improvement. The core competencies will then be explained as part of accreditation, as the vehicle for capacity development.

Roles and Functions of Nonprofit Organizations

Nonprofit organizations play a vital role in the delivery of services to the public. According to the National Center for Charitable Statistics' classification system, there are twenty-six major fields of nonprofit activity, each with sixteen functions ranging from accreditation to fundraising (Salamon, 2003; Hodgekinson & Weitzman, 1996). Three fields comprise most nonprofit employment: health, 43%; education, 22 %; and social services, 18 %.

By 1998, nonprofit organizations accounted for:

- over 7 % of the country's workforce, with 11 million employees; and
- nearly 1.5 million organizations, which were formally registered as either 501 (c) 3, the tax exempt status given to public-serving, non-profit organizations, or 501(c) 4, the tax-exempt status given to public charities and social welfare organizations (Salamon, 2003).

Frumkin (2002) and Salamon (2003) describe the scope of the sector with similar themes with respect to sector "jobs", the infusion of values and nobility in its mission, and the concept of expression. Table1.1, Functions of Nonprofit Organizations, synthesizes the roles and functions of the sector by both theorists, and shows the relationship between the values and economics of nonprofit development. The roles and functions are identified in bold print.

Table 1.1 – Functions of Nonprofit Organizations

Frumkin (2002)	Salamon (2003)
Service delivery provides needed services and responds to government and market failure.	Nonprofits are primarily **service providers**, with scope and range that encompasses: "half of the country's hospitals; one third of health clinics; over a quarter of its nursing homes; nearly half (46 percent) of its higher education institutions; four- fifths (80 percent) of its individual and family service agencies; 70 percent of its vocational rehabilitation facilities; 30 percent of its day care centers; over 90 percent of its orchestras and operas; and the delivery vehicles for 70 percent of its foreign disaster assistance" (pp.11-12). Service delivery is, but is not limited to, identifying, providing and responding to the unmet needs of the community.
The **civic and political engagement role** mobilizes citizens for politics, advocates for causes, and builds social capital within communities.	The **advocacy role** taken by nonprofit organizations as a critical social safety valve that "contributes to national life by identifying unaddressed problems and bringing them to the public attention, by protecting basic human rights, and by giving voice to a wide assortment of social, political, environmental, ethnic, and community interest and concerns" (Salamon, 2003, p.12). Nonprofit associations provide the **building of social capital**, the opportunity to establish connections and involvement among individuals that teach cooperation, and that spread into political and economic life.
The **social entrepreneurship function** provides a vehicle for entrepreneurship and creates social enterprises that combine commercial charitable goals.	
The **values and faith role** allows volunteers, staff, and donors to express values, commitments, and faith through	The **Expressive Role** is reserved for nonprofit organizations that attends to creative, cultural and social expression.

work.	The organizations that provide varied opportunities for artistic, religious, and recreational expression are, for example, religious institutions, fraternal groups, scouts and music and theatre companies. **The Guardian of Values** is a function of the nonprofit sector that provides an arena to express the national values of individualism and collective responsibility. Its goal is productive activity for the common good. Nonprofit organizations help to generate private, charitable gifts and billions of hours of voluntary time from the American public.

The role of values and advocacy, as described in Table 1.1, are inherent functions of service delivery. However, the focus of this research is nonprofit social work organizations in the service delivery/providers category. The two essential questions necessary to provide the context of this study are:

- What is the relevance and need for capacity building for nonprofit social work organizations?
- What are the issues and challenges to nonprofit social work organizations' capacity?

The discussion of both the need for capacity building and challenges to organizations' capacity provide a context for the research question*: What is the relationship, if any, between accreditation and change in organizational capacity in nonprofit social service organizations?* Specifically, Is there an association between engaging in the accreditation process and change in organizational capacity?

The Relevance and Need for Capacity Building

Cambosasso & Davis (2000); Light (2002, 2004); Blumenthal (2003); and Grant Makers for Effective Organizations, GTO (2000) describe capacity building as a means to an end, that end being organizational effectiveness. Thus, the intent of capacity building is to enhance organizational effectiveness. Capacity building is a vehicle to develop the leadership, management and organization's capabilities; the goal is greater organizational sustainability and effectiveness (Cambosasso & Davis, 2000).

Light (2004) identifies a direct link between capacity building and enhancing organizational effectiveness, as illustrated in the following logic chain.

Organizational capacity →	Capacity → building efforts	Increased → organizational capacity	Increased organizational effectiveness[1]

Blumenthal (2003) moves the discussion forward by defining improved effectiveness not as a cluster of management capabilities or practices, but as four organization performance areas:

- Organizational stability - the delivery of programs and services and long term survival;
- Financial stability - short term survival and the ability to attract resources for long term survival;
- Program quality - three indicators of program quality are utilized: research based program design using best practices; a system of CQI with outcome measurement with performance benchmarks; and management's use of the data to make improvements in program implementation;
- Organizational growth - growth and stability that is consistent with the organization's resources.

[1] See Light, P. 2004. *Sustaining Nonprofit Performance.* Washington, DC: Brookings Institution Press.

Blumenthal's performance areas also serve to expand the discussion of capacity building beyond the traditional thinking that limits capacity to infrastructure. Certainly, capacity strengthens infrastructure, which in turn supports the dynamic interplay of organizational culture, productivity and development. Grantmakers for Effective Organizations – GTO (2000) makes the connection between effectiveness and mission when it describes an effective organization as being able to achieve its mission through a combination of sound management, strong governance, and unrelenting rededication to achieving results.

Organizational Competence and Service Effectiveness

While this research focuses on organizational capacity and competence, rather than service delivery effectiveness, Patti (1988) and the GTO (2000), highlight the connection between the two. Both authors postulate that the organization's purpose is mission-driven, with an emphasis on service delivery directed at achieving client outcomes.

Patti (1988) affirms "the core of a service effectiveness driven model of management is the relationship with managerial practices and organizational arrangements on one hand, and service effectiveness on the other" (p.15). Rapp & Poertner (1988) and Savage (1988) expand upon Patti's thinking, respectively, discussing client - centered approach to service effectiveness, and service effectiveness that matches treatment technologies to the needs of clients. Hasenfeld & Schmid (1989) support Patti's view on social work administration's purpose as promoting service delivery effectiveness and quality. They add the life cycle perspective to this discussion as a tool to enable administration to improve service delivery effectiveness.

Organizational competence and service effectiveness do not have competing agendas, and are not mutually exclusive. Capacity building supports organizational sustainability and lends support to service delivery. While this premise exceeds the scope of this study, which is limited to organizational capacity, this discussion extends to defining an effective organization, which is consistent with capacity development.

Light (2002) reminds us that there is no clear process or established characteristics on what makes an effective organization. The discussion of capacity is relevant to the questions: Can poorly run organizations support quality programs? Conversely, can well-run organizations have poor quality programs?

> A strong organization may deliver poor programs because no one in the organization has knowledge of the best practices in the program area. Similarly, an organization may know how to deliver a quality program but be unable to do so because of organizational weakness (Philliber, 2004, p.1).

Many organizations can produce program success for a short period. Light (2004) notes the conditions that must exist to support the “success” of poorly run organizations: “All they need are extraordinary employees who are ready to work long hours, tolerate stress, and persevere despite organizational barriers” (p.38). If either of these conditions exists (poorly run organizations with quality programs or well-run organizations with poorly run programs), what are the implications for capacity building? Blumenthal (2003) suggests that a stable organization is a requirement for strong, quality programs, linking organizational stability with program quality. Klarberg (2005), when explaining why the Council on Accreditation looks at both governance-management practices and service delivery practices, indicated, “because poor practice can undercut public trust and so deplete resources that services are delivered inappropriately or are under resourced ” (p.2). Blumenthal (2003) and Klarberg (2005) both reaffirm the purpose of developing organizational capacity: maintaining organizational viability and program quality.

Statement of the Problem: Issues and challenges to organizational capacity

Organizational viability and program quality are essential for social service organizations to meet their mission on behalf of the children, families and individuals they serve. As noted earlier, capacity building supports sound organizational functioning. The elements of organizational capacity are: mission, leadership, financial, information and human resource management, community linkages, cultural competence and performance quality improvement.

The three challenges to nonprofit organizations' capacity, specifically the aforementioned elements, are: organization and the sector life cycle issues; economic stability and sustainability; and the ability to demonstrate organizational effectiveness and accountability as a quality organization.

Organization life cycle development

Organizational development theories generally agree that there are a series of tasks associated with each stage of development (Lavoie & Culbert, 1978; Whetton & Cameron, 1983; Quinn & Cameron, 1983; Hasenfeld & Schmid, 1989; Bailey & Grochau, 1993; Koroloff & Briggs, 1996; Simon, 2001; Light, 2002). These stages involve inherent challenges that are a part of the normative developmental process. While the organization is developing, external environmental forces impact the organization's existence (Hasenfeld & Schmid, 1989; Simon, 2001). The connection between an organization's developmental stage and external forces may exceed the organization's ability to perform. They may not have "arrived" at a given developmental stage and lack the capacity necessary to fulfill the external demands.

An organization early in its formation[2] provides a useful example to illustrate the dilemma of the life cycle stage at odds with environmental conditions. Typically, an organization in this stage may have a charismatic leader, whose passion for the mission motivates staff and funders to launch new programs. In this formation stage, management style is centralistic; the organization has somewhat unstructured boundaries (Hasenfeld & Schmid, 1983). Formalizing structure and systems may be the next tasks needed to move the organization along developmentally. However, requirements imposed on the organization by state mandates and grant guidelines may require having an infrastructure in place to perform certain functions. Two examples of these requirements are staff training and development of program outcomes measures. At this stage of development, the organization's human resource and data collection systems may not have the capacity to manage these requirements. Developing capacity can strengthen administrative and management technologies or expertise that guide organizational maturation. Internal assessment and awareness of an organization's developmental phase and needs are necessary to allocate appropriate resources and further build capacity. Developmental phases and organizational assessment are discussed later in this study.

[2] Quinn & Cameron (1983) & Cameron & Whetton (1983) call this stage Collectivity; Bailey & Grochau (1993) refer to it as the Team Building stage; and Light (2002) refers to it as the Enterprising Nonprofit.

Another period of increased vulnerability for organizations are the critical junctures that have been identified as the transitions between developmental stages. Hasenfeld & Schmid (1989) and Koroloff & Briggs (1996) identify the periods when organizations have heightened vulnerability as existing between early formative stages[3] and between later maturity stages. Organizational regrouping typical during this time increases vulnerability to environmental uncertainty. Organizational maturation may not keep pace with external demands; this can result in expansion without the sufficient infrastructure to create sustained long-term viability for the organization. In addition to developmental maturation challenges, nonprofit organizations also experience sector-wide leadership and identity challenges.

Sector leadership

The leadership of the nonprofit sector is also at a critical juncture. The current leaders in the industry are the "baby-boom"[4] generation who are approaching retirement age. The potential turnover of seasoned, skilled senior, leadership, has ramifications for the direction and sustainability of nonprofit organizations. Hiring business professionals (MBA's) for CEO positions currently held by social work professionals (MSW's), the unattractive demands placed on CEO's to mange the business of nonprofits, and the push of for- profits into the traditionally nonprofit sector are factors that can influence the future leadership in the sector (Light, 2002). These trends can create a change in the development of leadership within individual organizations, and the sector as a whole.

[3] Cameron & Whetton's (1983) and Quinn & Cameron's (1983) early formative stages are entrepreneurial & collectivity; latter stages are elaboration & decline. Developmental stages are addressed more fully in the literature review chapter.

[4] The baby boom generally refers to those born between 1946 through 1964.

Sector identity and development

In addition to sector- wide transitions in organizational leadership, the nonprofit sector has developmental challenges in its quest for a name and identity. The nonprofit, voluntary sector is juxtaposed between the competitive, profit making sector and the government. This position gives rise to assorted names that attempt to define the sector's broad scope, diversity and function. Attempts to define the sector as separate from government and/ or corporate entities have proven challenging (Light, 2002; Frumkin, 2002). Each attempted designation was flawed by: defining the sector by what it is not (nonprofit, non-governmental organization-NGO), lacking the scope of the sector's diversity (tax exempt sector and charitable sector), ignoring the relationship with government (independent sector, charitable sector, voluntary) or insulting the sector by implying inferiority (third sector).

Light (2002) reflects on the irony of the sector ultimately defining itself by what it is *not.* He suggests that the concept of being nonprofit must be transformed from a conditional state to a goal that reflects the self- prescribed aspirations, vision and values of the sector. Light promotes a definition of nonprofit that is inclusive of the "high performance in the service of the public good" emphasizing "dedication not only to excellence but also to the public, not private, good" (p.25).

The sector's name, definitional focus & identity struggle are suggestive of the sector's self-perception and stereotyping of the sector by others. Furthermore, there is a connection between the conditions faced by the clients and communities served by the nonprofit organizations, (i.e. poverty, victimization, powerlessness) and the treatment of the sector (i.e. under-funding, disrespect). The stereotyping and unfavorable perception attached to the recipients of social services translates to the perception of the sector as a whole. The connection between identity issues and the economic stability of the sector is rooted in economic origins of nonprofit development.

Economic Stability and Sustainability of Nonprofit Organizations

The economic theories and shifting relationship with government frame the current dilemma that nonprofit organizations face with regard to financial sustainability. Weisbrod, (1986); Hansmann, (1986); Salamon, (1995) and Frumkin, (2002) provide the economic theories that explain the rise of the nonprofit sector.

Table 1.2 summarizes the key demand-side theories that emphasize nonprofit organization development as a means of filling the human and social services gap left by the government sector. Table 1.2 addresses demand-side economic theories, which focus on the nonprofits as a substitute for government. These theories focus on unmet public needs as the economic foundation of the nonprofit sector. The notion of failure is a theme in each of the aforementioned theories.

Table 1.2 – Economic theories on the rise of nonprofits- An overview of demand side theories

	Government market failure theory	Contract failure theory	Voluntary failure theory
Author	Weisbrod	Hansmann	Salamon
Time period	1970’s	1980’s	1990’s
Strength	Economic development addresses unmet public needs.	Highlights the mission of nonprofits as being driven by service, not profits.	The nonprofit sector is placed in the leadership role, instead of the default, passive role.

Deficit	Only addresses the need-driven side of the equation. Economic theories suggest that nonprofits are a substitute for government.	Leaves out the relationship of government.	Under-represents the co-dependent relationship between government and the nonprofit sector, and the authority of the government on nonprofit development.

The other end of the spectrum is supply-side theory, which shifts the focus away from the needs of service recipients to focusing on the actions of donors, volunteers and resources. Supply-side theory addresses innovations, resources and the entrepreneurial spirit of the nonprofit sector (Frumkin, 2002). While it does not focus on the needy, or the demand-side of the equation, positive outcomes for persons served would be a by-product of a supply-side philosophy. Supply-side emphasizes the strengths and desires of the providers. The demand and supply-side each address one aspect of the economic equation. Neither the demand nor supply-side theories provide a rationale for mutual cooperation between the nonprofit sectors and government (Frumkin, 2002).

Relationship with the government

Hasenfeld & Schmid (1989) acknowledge the government's role in the nonprofit sector as critical in shaping the developmental cycles and behavior of nonprofit organizations.

> The government serves a key role in enabling their activity by providing legitimacy through formal accreditation and funding proposed programs. The support or lack of support of the government can mold the strategic behavior of these organizations to a great extent and to determine their fate for better or worse (pp. 245-6).

The legitimacy achieved has significant tradeoffs to individual organizations and the sector as a whole. Oster, (1995); Salamon, (1995, 2003); Frumkin, (2002);

Miller, (2005) and Cohen, (2005) discuss the compromise nonprofits have made to their independence in a quest for survival. The relationship between government and the nonprofit sector has shifted from mutual dependency to nonprofits becoming dependent on the government for financial viability. The tradeoffs are most apparent in the organization's capacity related to mission and financial management.

Salamon's (1995, 2003) perspective was that government and the nonprofit sector had the potential to complement each other. This thinking has shifted to the concern for the loss of the nonprofit's independence. Efforts to "match" an organization's role as a vendor can result in a loss of program flexibility due to bureaucratic requirements and a shift in mission. Frumkin (2002) notes the risk to mission via the supply-side perspective:

> . . . turning the nonprofit and voluntary sector into a tool of government action may shortchange the sector's role as an initiator, innovator, and communicator of values (p.77).

Cohen (2005) asserts, "The nonprofit sector has let itself be used as a substitute for, rather than a supplement to, public sector commitments (p. 56)." Oster (1995) bridges the discussion of the economic development of the sector to the *centrality of the nonprofit mission.* Demand-side theory, specifically contract failure, is identified as a cause for the creation of the sector. The mission statement serves as a boundary or focus of the work. The shift in revenue sources, from charity to government subsidy, grants and insurance, has shifted the paradigm from *mission-funding-service* to *funding-mission-service*. The mission of nonprofits is at risk for becoming defined by the government's agenda. This requires organizations to strengthen and clarify their mission, and to determine who are their primary stakeholders. Miller (2005) best articulates the tension between the fiscal challenges and mission of nonprofit organizations.

> Many nonprofit organizations provide services to people who can't pay for them and therefore must "sell" their wares both to the users and to the people who do pay. The players in these two markets have diverse and sometimes contradictory goals, and nonprofit managers spend time and attention marketing to them all. This adds complexity and high transaction costs to the business and a constant tension over mission (p.49).

This tension is manifested in the triangulation between the nonprofit provider and its *two consumers*, as illustrated below in Figure 1.1 – The Nonprofit Triad.

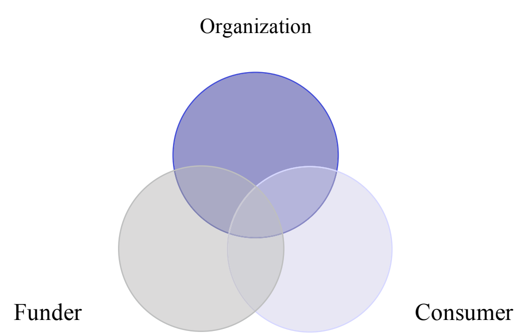

Figure 1.1- The Nonprofit Triad

Government agendas and reimbursement formulas that do not pay the real cost of service provision further complicate the balance of nonprofit triad. When federal reimbursement does not address the full cost of service provision, the organization must find other avenues to address the deficit. Thus, government has increased its "control" in the nonprofit arena by funding below actual cost and by demanding compliance, without sufficient reciprocity. Ultimately, the balance of power shifts to the fiscal provider, in this case the government, who is able to make and execute demands with authority over the nonprofit provider. Government funding is often predicated on political priorities and agenda instead of on planned forecasting of real need.

Organizations without a diversified funding base can see programs downsize or disappear due to changing political priorities. Endowments and aggressive fundraising become critical to counter the powerlessness of funding dependency and budget shortages. Organizations are faced with both resource scarcity and the indirect cost of managing that scarcity. These costs include the staff and software to securing additional funds through grants and fundraising.
Managing programs by combining grants from multiple sources has two potential negative tradeoffs: accounting complexity and, typically, limited resources for administrative costs necessary to support programs.

The outcome for nonprofits that rely heavily on government funding can often be a scarcity of resources. This translates into insufficient dollars for infrastructure (i.e. newer technology), indirect costs (i.e. accounting, personnel management staff/functions) and program development needed to improve organizational efficiency and capacity.

Clearly, public funding is both a given and necessity for nonprofits to continue service to the public consistent with its mission. At best it provides consistent resources to implement programs that address the needs of the public. If anything, more and diverse funding is needed. Nonprofit organizations must guard against stretching both their mission and resources because the public need exceeds its scope, or because of the need to chase funding dollars. As nonprofit organizations evaluate the tradeoffs inherent in their relationship with the government sector, they must assess: their capacity to serve, the clarity of its mission, and the resources needed to be sustainable and mission-driven. Nonprofit leadership must balance the issues of mission and autonomy with its relationship to government and federal funding, in an effort to meet its mandate to effectively serve the community.

Effectiveness and Accountability

Nonprofit organizations must demonstrate that they are effective and accountable as both a quality organization and service provider. Demonstrated effectiveness and accountability are required to maintain funding, attract new stakeholders, secure the organization's reputation, maintain the public trust and develop additional services congruent with its mission and community need. Nonprofit organizations have capacity needs in the areas of program evaluation, quality improvement and information technology that impact effectiveness and accountability.

Program evaluation

Program evaluation provides an opportunity to assess the impact of its service delivery on clients, on the organization's resources and its capacity to deliver the services. Nonprofit organizations are required to demonstrate outcomes to validate the expenditures of public, government and foundation dollars. Providers must ask: Are we achieving our mission? How do we know if we are making a difference in the lives of the clients we serve? Reid (1988) notes, "If we make effectiveness claims that lack a solid empirical grounding, then our credibility suffers as well as our ability to isolate genuinely effective programs" (p.43).

Leadership within nonprofit organizations must address obstacles including staff fears, organizational culture and limited resources to implement program evaluation. Grasso and Epstein (1988) note, "that to improve actual performance, management has to invest resources in staff development" (p.92). Weissman (1977) raises issues relative to staff fears and organizational culture when he asserts that staff can be defensive when program evaluation is not tied to guidance on program improvement, but to staff evaluation. Leadership sets the tone for the organization's culture towards program evaluation and quality improvement, by providing sanction and enabling participation from all levels of staff.

Continuous quality improvement

The use of continuous quality improvement (CQI) has contributed to nonprofit management's use of indicators and benchmarking for monitoring quality and to expand program evaluation. However, institutionalizing performance measures and utilizing data to improve services continues to be a challenge for human service organizations. Closing the loop between collecting information from various stakeholders, analyzing the information, and using the data to make operational and programmatic adjustments requires a systemic approach. Grasso & Epstein (1988) suggest that the instrument selected and the research plan is secondary to how the measurement and service delivery system are integrated. Program evaluation and CQI studies, like service delivery, are supported by technology that must be integrated into the organization's infrastructure.

Information technology

Information technology is a costly, but a critical investment for all aspects of organizational activity. The digital era requires technological sophistication to support internal efficiency and programmatic outcomes. The dilemma for organizations regarding information technology is that it requires immense resources, such as initial costs, technical support and training. An organization's technology system is likely to become outdated and will need constant updating (Blau, 2001). Organizations that are ill-equipped to invest in technology are at a disadvantage in maximizing efficiency, operations and service effectiveness. Technology impacts the efficacy of how organizations within the nonprofit sector function, and their capacity.

In summary, the issues that face nonprofit organizations relative to its capacity to meet its mission have been articulated. Nonprofit organizations provide a spectrum of important human services to individuals, groups, families and communities. Capacity building is a means of enhancing organizational effectiveness to create sustainability and support service delivery. Challenges to nonprofit social work organizations include: its ability to negotiate its environment and resource needs relative to its developmental stage, the sector's self perception, and economic stability and sustainability as influenced by its relationship to government. The nonprofit organization's ability to demonstrate both effectiveness and accountability are also challenges to its sustainability. Each area of challenge to nonprofit organizations has a relationship to core competencies associated with the following elements of organizational capacity: mission, financial management, performance quality improvement, and information technology. The elements of leadership, human resources, cultural competence and community linkages are relevant to the aforementioned discussions, as they shape the organization's economic stability, effectiveness and accountability.

Concepts and Definitions

The concepts related to this study are: non-profit sector, organizational development, organizational capacity building, venture philanthropy, accreditation, and best practice(s).

Nonprofit Sector

Nonprofit organizations cover a wide spectrum of public-serving charities, member organizations, and a range of informal organizations (Oster, 1995; Frumkin, 2002; Salamon, 2003). This study will limit its scope to nonprofit organizations that are providers of human and social services, governed by a Board of Directors and are formally registered as either a 501(c) 3 or 501(c) 4. 501(c) 3 refers to the tax-exempt status given to public-serving nonprofit organizations or public charities that are recognized by government regulation. The 501(c) 4 addendum to 501(c) 3 refers to the tax-exempt status given to social welfare organizations that added further restrictions in lobbying and political activities. Both designations govern lobbying, advocacy, political action and donation disclosure (Oster, 1995; Frumkin, 2002).

Nonprofit organizations have three fundamental features and special advantages that connect the sector:

- Donor, volunteer and staff participation is by choice. Nonprofits do not have the authority to require participation; the participants in fact select nonprofits.

- No profits or dividends are given to stakeholders; work is mission-driven not profit-based.
- Nonprofit organizations have numerous stakeholders and no owners (Oster,1995; Frumkin, 2002).

Organizational Life Cycle and Stage Development

Organizational life cycle refers to the changes, growth and atrophy that are normative in organizations as they move through their life cycle, from conceptualization to maturity. These changes encompass the tasks, goals and needs of the organization at each stage of its development. The developmental stages are named to reflect the core task for organizations at that stage. While several models exist, the stages as defined by Quinn & Cameron, (1983) and Whetton & Cameron, (1983) are widely accepted. They delineate the stages as: entrepreneurial, collectivity, formalization and control, and elaboration of structure.

Organizational Capacity and Capacity Building

Organizational capacity refers to the total output or activity necessary to actualize the organization's mission. Capacity building is:

> designed to change some aspect of an organization's existing environment, internal structure, leadership, and management systems, which, in turn, should improve employee morale, expertise, productivity, efficiency which should strengthen an organization's capacity to do its work, which should increase organizational performance (Light, 2004, p.46).

Organizational capacity supports strengthening infrastructure, leadership and the interrelationship of all elements of organizational functioning. The elements of organizational capacity described in the study are: mission, leadership, financial management, human resources, cultural competence, community linkages, and information technology and performance quality improvement.

Venture Philanthropy

According to Salamon (2003), the venture philanthropy model is "an investment approach to grant-making that calls on philanthropic organizations to make a long term investment in nonprofit organizations, to focus on the organization rather than individual programs" (p. 25). This model partners with the organization through active engagement with the organization's governance and operations towards a goal of performance outcomes measurement. Specific to this study, venture philanthropy supports developing organizational capacity

Accreditation

Standards are formal guidelines, measures and quality benchmarks used to assess conformance, and are the basis for determining the quality of the organization's policies and practices (Nichols & Schilit, 1992). Accreditation uses experts in a given field to "define standards of acceptable operation/performance for institutions, organizations, or systems and to measure compliance with them" (Hamm, 1997, p.3). Hamm further notes that the goals of accreditation are to protect the public and promote continuous quality improvement.

Best Practices

Best Practices refer to empirically tested models of intervention or programs that are proven to deliver the desired outcomes for clients served within a given field of practice. Interventions or models considered best practice indicate generalizability for replication, for similar populations in other settings. Best practices also refer to governance and management practices that support organizational effectiveness. Best practice standards and programs are reviewed and evaluated by reputable universities, research foundations, funders and regulatory bodies, and accrediting entities.

Relationship to Practice

The relevance and challenges for capacity building, along with the challenges to the nonprofit sector, underscore this study's relationship to practice. The nonprofit sector provides a variety of human and social services nationwide. Understanding the relationship between developmental life cycles and capacity building can provide organizations with knowledge that can support efficiency, productivity and sound resource allocation. Building organizational capacity has implications for mission, leadership and management, fiscal resources, evaluation and continuous quality improvement. Accreditation practices support the organization's leadership in focusing on strong governance and mission clarity, building information resource capacity, creating ethically sound fiscal practices, and developing a culture of performance quality improvement. If research demonstrates that accreditation is a tool for organizations to expand capacity, then organizations utilizing accreditation will improve their capabilities and facilitate organizational competence.

Implications for practice

The primary implication for practice is that organizations will have evidence to seek support and funding to use accreditation as the tool to increase organizational capacity. There are several practical and incremental steps organizations can employ from this study. Should the assessment prove to be relevant to organizations in the sample, other organizations can engage in the self- assessment process to identify the capacity challenges they face. The study will seek to identify characteristics that are challenges to an organization's capacity, and critical elements that support organizational sustainability. An organization's CEO struggling with antiquated systems (i.e. fiscal management systems, underdeveloped quality improvement mechanisms or poor information technology) may be armed with real data to persuade the Board of Directors to invest in the needed resource. Likewise, if the findings indicate other challenges to capacity, organizations can become proactive when developing their priorities for resource allocation.

This study addresses nonprofit organizations' development and its capacity. There is the potential to provide organizations with clear guidance about how to assess and expand capacity to match their developmental needs. Providing information that organizations can use to support their capacity building is a positive output of this study.

Implications for policy

Empirical evidence on the relationship between organizational capacity and organizational effectiveness can provide a rationale for supporting a venture philanthropy approach to capacity development. Government entities that mandate performance outcome expectations can support organizations through funding. Streamlining compliance requirements for organizations that demonstrate best practices by meeting accreditation standards can provide relief to organizations.

Implications for future research

The findings of the study will provide direction for the future research that can support the agenda of organizational capacity development, particularly for the nonprofit sector. If the findings support the research question, future studies are needed to extend the equation to explore the relationship between organizational capacity, service delivery and client outcomes. The broader opportunity to expand empirical research on whether well–managed organizations are better positioned to provide quality services is worthy of further exploration.

Chapter Two
Theoretical Framework

The literature on organizational life cycles and developmental stages provide the theoretical framework to study the relationship between accreditation and organizational capacity development. Table 2.1 illustrates the theoretical framework for this research study, in three columns that delineate: organizations in the accreditation process; COA accreditation processes, administration and management standards; and organizational capacity outcomes.

Table 2.1 – Organizations completing COA Accreditation process milestones + Implementing COA Administrative & Management Standards will increase Organizational Capacity

ORGANIZATIONS IN THE ACCREDITATION PROCESS	COA ACCREDITATION PROCESSES, ADMINISTRATION & MANAGEMENT STANDARDS	ORGANIZATIONAL CAPACITY OUTCOMES
PRE-EXISTING CONDITIONS: ORGANIZATION'S CURRENT CAPACITIES: LIFE CYCLE & DEVELOPMENTAL STAGES, ORGANIZATIONAL CHARACTERISTICS ENVIRONMENTAL FACTORS, RESOURCES ↓↓↓ ORGANIZATIONAL PROFILE	COA ORGANIZATIONAL ASSESSMENT MONTHLY CONTACT AND SUPPORT, STANDARDS IMPLEMENTATION AND TECHNICAL ASSISTANCE ↕↕↕↕↕↕ ADMINISTRATIVE & MANAGEMENT STANDARDS • GOVERNANCE • ETHICAL PRACTICE • PERFORMANCE QUALITY IMPROVEMENT • FINANCIAL MANAGEMENT • HUMAN RESOURCES MANAGEMENT • RISK AND PREVENTION	INCREASED CAPABILITIES IN: • MISSION • LEADERSHIP • FINANCIAL MANAGEMENT • HUMAN RESOURCES • CULTURAL COMPETENCE • COMMUNITY LINKAGES • INFORMATION TECHNOLOGY • CONTINUOUS QUALITY IMPROVEMENT (CQI)

MANAGEMENT

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ORGANIZATIONS
SELF- ASSESSMENT
SELF -STUDY AND SITE VISIT
PREPARATION
ORGANIZATION
ACCREDITATION MILESTONES
ASSESSMENT, SELF- STUDY, SITE
VISIT, PCR, AND COMMISSION
REVIEW

Organizations in the accreditation process (Table2.1, column 1)

Organizations have pre-existing conditions that will influence their accreditation experience, particularly as it relates to capacity needs and development. The organization's developmental stage is a key consideration in regard to readiness for accreditation. For example, an organization entering the process early in its development, with an informal structure and personalized leadership, can find the expectations of the accreditation process for formalized structures and policies as a logical next step, or burdensome to the organization's culture. Organizations that are "start-ups", in Quinn & Cameron's (1983) entrepreneurial stage present the greatest challenge in their need to develop capacity, and in their readiness for accreditation processes.

Likewise, an organization that is expanding its boundaries and focused on growth can find that the standards resonate with the organization's developmental path, or at best validate what it knows about its capacity (Quinn & Cameron, 1983; Hasenfeld & Schmid, 1989; Koroloff & Briggs, 1996). Organizations entering the accreditation process for the first time generally reflect what Quinn & Cameron, (1983) refer to as the "collectivity and formalization" stage. These organizations can be pursuing accreditation to secure funding, respond to state mandates or to develop its infrastructure and programs consistent with best practices. Organizations that enter the process for reaccreditation[5] typically are in Quinn & Cameron's (1983) stages of "formalization & control" or "elaboration of structure".

Factors indicative of an organization's developmental stage as they enter the accreditation process are:

Stability of mission
Level of board functioning
Length of service and experience of the CEO
Primary funding and service technologies
Client referrals and commitment to service provision by stakeholders
Policies and procedures for personnel practices and fiscal operations
Size, scope and expertise of human resources
Presence and capacity of information technology
Quality of community linkages
Development of continuous quality improvement
Organization's culture regarding change

The literature review on organizational life stage and developmental theories will more fully explore the characteristics of organizational stages & development

[5] Accreditation refers to both the process of accreditation, and is used to describe organizations that are seeking accreditation for the first time. Reaccreditation refers to organizations that have previously been or who are currently accredited and seeking accreditation again because they are at the end of their four-year accreditation cycle.

as it relates to this study. In addition to the aforementioned indicators, organizational characteristics contribute to the pre-existing conditions specific to organizations entering the accreditation process, and have implications for developing organizational capacity. Simon (2001) and Light (2002, 2004) describe these characteristics as interfacing with the developmental growth of an organization, and influence the organization's capacity development. The Organizational Profile (OP) gives organizations an opportunity to share their demographic and other factors that contribute to their capacity (Appendix A, Organizational Profile). Environmental factors and resource availability contribute to the organization's motivation and ability to engage in accreditation.

The accreditation process and standards (Table 2.1, Column 2) refer to the relationship between the accrediting body and the organization pursing accreditation. This study is situated within the Council on Accreditation, a nationally recognized accrediting body.

Accreditation processes (Table 2.1, Column 2)

An accreditation coordinator provides assistance to the organization to meet the key accreditation milestones and facilitates engagement in the process. The activities initiated by the COA accreditation coordinator are organizational assessment, monthly contact and support, standards interpretation and technical assistance.

Organization assessment-The assessment assists the organization in articulating its strengths and needs as it relates to the organization's administration and management capacities. The assessment process provides information to determine organizational readiness and what, if any, technical assistance can proactively help the organization to achieve accreditation. The assessment, along with the Organizational Profile, facilitates an understanding of the organization's developmental stage and characteristics,. The assessment instrument that is utilized is based on the literature on the elements of organizational capacity. (Appendix B, *Assessment of Organizational Capacity)*.

Monthly contact and support-The accreditation coordinator minimally maintains monthly contact with the organization's accreditation liaison to ensure open communication, goodness of fit and to provide guidance in accreditation processes.

Standards Implementation and Technical Assistance-The accreditation coordinator provides organizations with information, consultation and thoughtful review of questions about understanding and implementing standards in their organization. This critical facilitative process supports the organization in readiness for the key accreditation milestones: completing the self-study, preparing for the site visit, and responding to the preliminary accreditation decision phase.

Administration & Management Standards (Table 2.1, Column 2)

Organizations seeking accreditation demonstrate that they have implemented administrative and management standards[6]. Standards are formal guidelines, measures and quality benchmarks used to assess conformance, and are the basis for determining the quality of the organization's policies and practices (Nichols & Schilit, 1992). The standards relative to capacity, as noted

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6. Organizations are also expected to demonstrate implementation of Administrative Service Delivery and applicable Service Standards to achieve accreditation. These standards are not within the scope of this study.

above, are the Administrative & Management standards: Governance, Ethical Practice, Performance Quality Improvement, Financial Management, Human Resources, and Risk Prevention Management (Appendix C, *COA Administrative and Management Standards, 8th Edition).*

Activities based within the Organizations seeking accreditation (Table2.1, Column2)

The activities an organization undertakes to meet key milestones can include: gathering an interdisciplinary committee to coordinate the organization's preparation; reviewing current practices against the standards; developing policies, procedures and practices that demonstrate implementation of the standards; planning stakeholder inclusion in the process; and participating in training or technical assistance on accreditation processes, standards and strengthening organizational systems. Organizations have a range of investment and participation in activities, based on factors including their developmental stage, experience with accreditation and reason for seeking accreditation.

Organization Accreditation Milestones (Table2.1, Column 2)

In addition to the organizational assessment discussed as part of the accreditation processes, milestones within the process are:

1. Completion of the self-study by the organization –Organizations provide COA and the peer review team with narrative descriptions, documents and information about its leadership, management and infrastructure and its service delivery and programs. The purposes of the self-study orient the peer review team to the organization, describe the organizations' functioning and demonstrate standards implementation.

2. The site visit –The peer review team assesses the organization's implementation of the standards during an on-site visit. The site visit lasts 2-5 days depending on the size and scope of the organization. General activities include: observations, interviews with a cross-section of stakeholders, a review of documents, case records, and policies and procedures.

3. The Pre- Commission Report (PCR) – The PCR provides organizations with the standards that require further implementation to achieve a positive accreditation decision. If an organization has no standard out of implementation, an expedited accreditation decision occurs at this time. If an organization has fewer than six standards out of implementation[7], the follow-up documentation that the standards have been implemented can be submitted to the Pre-Commission Review, an internal leadership group, to render a Commission recommendation.

4. The Commission – Organizations generally submit their additional evidence of implementation, that has been requested by the PCR, for review to the Commission. The commissioners render a decision: accreditation, pending or deferral.

Organizational Capacity Outcomes (Table 2.1, Column 3)

The literature on organizational capacity[8] identifies components of capacity that are noteworthy for organizational development and sustainability. The core elements are the dimensions of organizational capacity that include: mission and goals, community linkage, management capacity, fiscal resource management,

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[7] This is rule applies if the standards are not essential life and safety, health and welfare or clients' rights.

[8] The literature review on organizational capacity is in Chapter 3.

human resources, program evaluation, informational resources, and cultural competence (Philliber, 2004). Enhanced capabilities in the aforementioned core elements would be the desired outcome of a capacity building accreditation process. The enhanced capabilities are expected to support the organization's development and strengthen the organization's effectiveness.

There is a direct link between the content of the Administrative and Management Standards and the elements necessary to build organizational capacity. This link provides credibility to the question of whether accreditation is a means of, or vehicle for capacity development. The connections between the two are described in Appendix D, *A Comparison and Crosswalk between the 8th Ed. Administration & Management Standards and the Assessment of Organizational Capacity (AOC)*. This document provides specificity and detail as to each question on the AOC and its relationship to 8th Edition Administration and Management standards.

The Research Questions

The question to be explored in this study is: What relationship, if any, exists between accreditation and change in organizational capacity in nonprofit social service organizations? This study proposes to explore the relationship between implementation of COA accreditation and organizational capacity in nonprofit social service organizations.

The research questions addressed in this study were: (1) What are the assessments of organizational capacity of organizations prior to seeking COA accreditation, (2) What organizational characteristics are associated with assessments of organizational capacities prior to seeking COA accreditation, (3) Does organizational capacity change following the COA accreditation process (4) Was change in assessments of organizational capacity associated with COA accreditation outcomes, (5) Is first time versus reaccreditation status of the organization associated with outcomes under different conditions of change?

If the relationship between accreditation and organizational capacity is supported by evidence, groundwork will be laid for testing the overarching theory of change that guides the accreditation philosophy at a capacity building accrediting body. Appendix E, *COA Accreditation: Building Organizational Capacity to Improve Performance and Achieve Positive Outcomes, Logic Model Version 5, March 2006* illustrates this philosophy.

That is, increased organizational capacity correlates with quality service delivery: Organizational competence & capacity →Effective service delivery → Positive Client Outcomes.

The framework for exploring the aforementioned questions is organizational life cycle and developmental stage theory.

Organizational Life Cycles and Developmental Stages

The seminal work of developmental life cycle theory for individuals (Erikson, 1968) and for families (Carter & McGoldrick, 1980) looks at the developmental stages specific to psychosocial tasks, changes and losses that foster maturation. Likewise, organizations can be viewed from a developmental stage perspective. Understanding developmental stages can assist the organization in taking the steps necessary to stabilize, manage internal growth, external challenges, and cope with change.

The organizational life cycle and developmental stage theory, which supports this research, is found in the organizational development literature. Table 2.2 highlights the relevant, aforementioned literature. The seven columns in Table 2.2 identify the theorists (Bailey and Grochau, 1993; Koroloff & Briggs, 1996; Lavoie and Culbert, 1978; Hasenfeld & Schmid, 1989; Quinn & Cameron, 1983; Whetton & Cameron, 1983; Light, 2004 and Simon, 2001), who contribute to the conceptualization of developmental stage theories. The five rows on Table 2.2 identify core concepts in the literature: theoretical framework, emphasis/focus, linear vs. dynamic movement between stages, stage names and developmental tasks, and relationship to organizational effectiveness.

Table 2.2 – Life Cycles and Developmental Stage Theories

	Bailey & Grochau (1993)	Koroloff & Briggs (1996)	Lavoie & Culbert (1978)	Hasenfeld & Schmid (1989)
Theoretical framework	Open systems theory	Whetton & Cameron's integrative model	Equilibrium theory; value orientation, i.e., Kohlberg's (1969) moral development.	Organic
Emphasis/ Focus	Relationship between stage of development and leadership needs	Leadership and Power; Transitions between the stages Decision making Financial Support Staffing	Developmenta l theory as theory of change, not development	Organizational context in its environment; role of government; Organizational environment Leadership/ Management style Organizational Structure/process Service delivery
Linear or	Developmental,	Recycling through	Linear	Dynamic

dynamic model	but fluid	stages		
Stages and develop-mental task/goal	1.Entrepreneurship-Innovation 2.Team Building-Collective creativity 3.Bureaucratic-Systemize 4.Stagnation-Status Quo 5.Renewal-revitalization or 6. Death-Escape	1.Entrepreneurial-Finding 2.Collectivity-Beginning/establishing 3.Formalization & Control-expanding/developing 4.Elaboration of Structure-Specialization/ collaborate (From Whetton and Cameron)	Uses Torbert's (1974) nine developmental stages: 1.Fantasy 2.Investments 3.Determinations 4.Experiment; 5.Predefined Productivity 6.Openly Chosen Structure 7.Foundation-al Community 8.Liberating Disciplines 9.Uncharted	1.Development/ Collectivity 2.Maturation/ Formalization 3.Elaboration of Structure 4.Decline 5.Death
Relation-ship of theory to organizational perform ance.	Alignment of administration-Board of Directors & CEO- Relate to effectiveness management of the organization.		Individual effectiveness as a means of organizational effectiveness.	Organizational performance through administrative strategies enhances effective service delivery. (Patti, 1988)

Table 2.2 Continued

	Quinn & Cameron, (1983), Whetton & Cameron (1983)	Light (2004)	Simon (2001)
Theoretical framework	Organizational effectiveness at each stage emphasizes different values of the four models: rational goal, open system, human relations and internal process models.	Stages are an interactive spiral	Organizations evolve and are characterized by the seven intertwined arenas (below) and five factors that influence its life cycle: age, size, and growth in the field, social environment and primary leader's characteristics.

Emphasis/Focus	Criteria of effectiveness is organized in four models: rational goal, open system, human relations and internal process models	Environment Structure Leadership Systems	Governance Staff Leadership Financing Administrative systems Staffing Products & Services Marketing
Linear or dynamic model	Sequential, hierarchical and not easily reversed	Dynamic	While movement is generally forward, the opportunity for forward & backward motion, and pace through the stages can be influenced by unique organizational &/or environmental characteristics
Stages and developmental task/goal	1.Entrepreneurial-innovation, start-up; 2.Collectivity-informal, personalized leadership, group unity; 3.Formalization & Control- stability, formality, goal-setting; 4. Elaboration of Structure-boundaries, external environment & growth.	1.Organic Non-Profit- Presence; 2.Enterprising Nonprofit-Impact; 3.Intentional Nonprofit-Focus; 4.Robust Nonprofit-Endurance; 5. Reflective Nonprofit-Legacy.	1.Imagine & Inspire-vision or idea phase; 2.Found & Frame-the start-up phase; 3.Ground and Grow-building a foundation, establishing systems and growing the business; 4.Produce & Sustain-maturity, productivity and sustainability; 5.Review & Renew-reinvention; 6.Decline & Dissolution
Relationship of theory to organizational performance.	Development of organizational life cycles to organizational effectiveness	Developing organizational capacity is related to organizational effectiveness	

An analysis of the literature provides important distinctions and approaches to the theoretical framework on organizational development from a life cycle and stage development lens.

Lavoie and Culbert (1978) explore the subtlety of developmental theories, questioning whether they are authentic developmental theories or simply theories of organizational change. Developmental theories focus on the normative progression of growth, progression or evolution within the systems and culture of the organization (Quinn & Cameron, 1983; Hasenfeld & Schmid, 1989; Bailey and Grochau, 1993; Koroloff & Briggs, 1996;).

Organizational change theories called organization development (OD) focus on processes created to advance managerial capacity in people, and structures to create desired change (Lavoie and Colbert, 1978). Certainly one can make the case for the relationship between change and development; the outcome of both suggests that the organization functions differently. Change theories, however, do not necessarily constitute organizational maturation or growth, which distinguishes change theories from developmental thinking approaches. Interestingly, Koroloff & Briggs (1996) connect the two by exploring the relationship of organizational change on organization development. They identify how organizations go through periods of stability and change (Romanelli and Tushman, 1985), which are linked to vulnerable periods as organizations transition between developmental stages.

The literature is consistent in its emphasis on systems, ecological theories as the underpinning to life cycle theory: organic (Hasenfeld and Schmid, 1989); open systems (Quinn and Cameron, 1983; Cameron and Whetton, 1983; Bailey and Grochau, 1993) and equilibrium (Lavoie and Culbert, 1978). This thinking is reflective of the person (organization)–in–environment fit models of social work theory that looks at the relationship between the subject and its environment.

Light's (2004) interactive spiral metaphor and Simon's (2001) evolving organization both evoke the organic systems philosophy of the earlier writers; although the motion metaphors used by Light and Simon also reflect fluid versus linear models of developmental progression.

A noteworthy difference in the literature on life cycle models is whether stage development is linear or dynamic. Earlier works (Lavoie and Culbert, 1978; Quinn and Cameron, 1983; Cameron and Whetton, 1983) conceptualize the stages as linear. Linear stage thinking suggests a stepping-stones or building-upon approach. Later theorists (Hasenfeld and Schmid, 1989; Koroloff and Briggs, 1990; Light, 2004) shifted the emphasis to a dynamic model. A dynamic perspective allows for movement back to previous stages and adaptations based on societal-environmental realities and psychosocial functioning. Bailey and Grochau (1993) and Simon (2001) fall between the two extremes, rejecting linear-only thinking, but placing boundaries on the dynamic model. Koroloff and Briggs's (1990) concept of recycling through the stages is most congruent with developmental theory from a clinical perspective that allows for regression and replaying themes that were not mastered. This is particularly useful when organizations reinvent themselves, that is, change mission.

The names of the stages developed by Quinn & Cameron (1983) and Cameron & Whetton (1983) are: Entrepreneurial, Collectivity, Formalization & Control, and Elaboration of Structure.[9] These stages are the source for future theorists. Koroloff & Briggs (1996) adapt the model into their life stage model. Hasenfeld & Schmid (1989) and Bailey & Grochau (1993) have identical and/or

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[9] See the aforementioned Table 2.2 – Life Cycle and Developmental Stage Theories for key words associated with the stages' core tasks.

similar names for their stages, as Quinn & Cameron (1983) and Cameron & Whetton (1983). The critical difference is the addition of the death of the organization added as a stage. Simon (2001) also adds death as a stage after review and renewal; development implies growth, and death is its opposite. As with the human life cycles, organizational demise does occur. The question regarding death is whether it is a normative stage in an organization's continuum. Bailey & Grochau (1993) tackle this best with an option for organizations to renew or reinvent themselves as an alternative to death and decline. Merging with another organization or changing service technologies are examples of organizations' renewal or reinvention.

Light (2004) uses aspirational terms to define the stages and Simon (2001) uses non-jargon language; however, both capture the spirit of the stages in a manner consistent with Cameron & Whetton (1983). Lavoie & Culbert (1978), who pre-date the work of Cameron & Whetton, use Torbert's (1974) nine stages of development. Tolbert's stages include the tasks and processes of the aforementioned models.

The literature addresses tasks and goals for each organizational stage. While the number of stages varies among the theorists, the functions and tasks are consistently applied across the spectrum, with the exception of death and decline. The goal or identified task for each stage is often implicit in the name of the stage, or in the descriptive information about each stage, noted as follows: vision and start-up, (Quinn & Cameron, 1983; Cameron & Whetton, 1983; Simon, 2001); establishing the foundation, (Cameron & Whetton, 1983; Quinn & Cameron, 1983; Simon, 2001); expanding and formalization of systems and structures, (Cameron & Whetton, 1983 Quinn &Cameron, 1983); maturity, productivity and sustainability, (Simon, 2001); renewal or decline, (Bailey & Grochau. 1993).

The literature emphasizes themes that impact, and are impacted by the stages. Simon (2001) is the most inclusive, identifying seven intertwining arenas (governance, staff leadership, finance, administrative systems, staffing, products & services and marketing) and five factors (age, size, growth in the field, social environment and the leader's characteristics) that influence an organization's life cycle. Simon is the only one to identify marketing as an arena. Additionally, Simon uses business vernacular, such as products and services, rather than service delivery.

Like Simon, Koroloff & Briggs (1990), Bailey & Grochau (1993), Hasenfeld & Schmid (1989) and Light (2004) also identified leadership as an area affected by, or that must adapt, as organizations transition through the life cycle. The environment (Light, 2004; Hasenfeld & Schmid, 1988); structures and systems (Light, 2004); structure & process (Hasenfeld & Schmid, 1989); power (Koroloff & Briggs, 1990) staff (Koroloff & Briggs, 1990); the relationship of government (Hasenfeld & Schmid, 1989); financial support (Koroloff & Briggs, 1990); service delivery (Hasenfeld & Schmid, 1989) and the transition between stages (Koroloff & Briggs, 1990) were also identified as key factors that interact with the organization's stage of development. Quinn & Cameron (1983) and Cameron & Whetton (1983) include the above noted themes by emphasizing four models, and their values: rational goal, open system, internal process, and human relations. They apply the four models to each stage, noting that there is a different degree of emphasis of each model, given the tasks of each stage (Quinn & Cameron, 1983).

The literature is consistent in linking organizational development to organizational performance. Hasenfeld & Schmid (1983) and Bailey & Grochau (1993) focus on the organization's administration as the link between development and effectiveness. Hasenfeld & Schmid's (1983) emphasis on administrative strategies is consistent with Patti's (1987) work on effectiveness. Bailey and Grochau (1993) stress the alignment of leadership as the means for organizational effectiveness. Light (2002, 2004) connects developing organizational capacity directly to organizational effectiveness. He uses the developmental stages to assess capacity needs. Quinn & Cameron (1983) and Cameron & Whetton (1983) stress the relationship of the organizational life cycles to organizational effectiveness. Only Lavioe & Culbert (1978) view organizational effectiveness as result of individual effectiveness. Simon (2001) approaches effectiveness differently. She adapts the developmental approach of the life cycle stages into an organizational assessment tool that is both comprehensive and practical. This provides an opportunity for self–assessment by organizations. They can use the scoring system and identify their developmental stage and capacity needs.

Common elements and themes are evident across the aforementioned theorists even though their work spans 24 years. This includes: orientation to organization development versus organizational change; emphasis on leadership across stages; tasks associated with stages; and relationship to environment and transition points. Most relevant to this study is the consistency by which theorists connect developmental stage and organizational effectiveness. Points of contrast are the theoretical framework, the number of stages, names associated with stages and whether the theories support linear or dynamic movement. This theoretical framework, life cycle and stage theory, provides the underpinning in developing organizational capacity. How does the organization's developmental stage impact upon its capacity needs, is of interest in this study.

Chapter Three

Literature Review- Organizational Capacity

The literature review will synthesize the relevant information and research on organizational capacity and accreditation.

Organizational capacity and capacity building

The literature on organization capacity encompasses four areas:

1. Definitional diversity and clarity (Cambosasso & Davis, 2000; GTO, 2000; McKinsey, 2001; De Vita & Fleming, 2001; Light, 2002, 2004; Blumenthal, 2003; Philliber, 2004);
2. Models of capacity building (McKinsey, 2001; De Vita & Fleming, 2001; Fate & Hoskins, 2001; the Packard Model, Connolly & York, 2003);
3. Organizational Assessment, (Jacobs, undated; De Vita & Fleming, 2001; Linnell, 2003; GTO, 2004; Philliber, 2004);
4. Research and evaluation studies on capacity building (Paul Light, 2002 & 2004; Linnell for the Alliance for Nonprofit Management, 2003).

Definitional Diversity and Clarity

Organizational capacity has been discussed as the vehicle for organizational sustainability and effectiveness (Cambosasso & Davis, 2000; GTO, 2000; McKinsey, 2001; Blumenthal, 2003). The connection between organizational capacity and service effectiveness (Patti, 1988 and GTO, 2000) was explored as mutually congruent concepts. However, while organizational capacity appears to be understood, there is difficulty defining it. Some mistake it for only meaning infrastructure. McKinsey (2001) acknowledged the difficulty that organizations and venture philanthropic groups have defining capacity building. However, he indicates, it is mutually embraced as a means to strengthen the nonprofit sector. Light (2004) simplifies the discussion by equating capacity building to common sense and good practice. His definition of organizational capacity building is inclusive of all activities that enhance, support, or replenish capacity so the organization may achieve its mission. Light also refers to organizational capacity as the total output or activity necessary to actualize the organization's mission.

This author conceptualizes organizational capacity as: the spectrum of resources, actions and activities necessary for the organization to sustain, grow, and to be effective in achieving its purpose and mission. This definition is meant to encompass the impact of the developmental stage in the organization's capacity by including sustain and grow to the mission driven focus.
The connection of capacity to mission-driven activity is duly articulated. However, the broadness of scope and lack of specificity in the definition create a challenge in operationalizing organizational capacity.

Operationalizing organizational capacity requires *drilling down* from the conceptual to measurable outputs and outcomes. The above-mentioned definitions guide this discussion towards translating organizational effectiveness (the desired outcome of organizational capacity), into generally accepted core elements of organizational functions (i.e. mission, leadership, resource development, and collaborative alliances). Matching the core elements to activities or actions provide further clarity to the definition of capacity building. This may be synthesized in the following equation:

Core elements/organizational functions + action/activities = Organizational Capacity → Organizational effectiveness

Grantmakers for Effective Organizations, GEO (2000), Connolly and Cady (2003) articulate this thinking best. According to Grantmakers for Effective Organizations (2000), the *activities* of organizational capacity development include: strategic planning, board development, marketing, communications, upgrading technology, increasing fund development capacity, enhancing operations, planning and developing facilities, acquiring new equipment, hiring new staff, improving staff knowledge and skills, improving organizational leadership and evaluating programs.

Table 3.1 illustrates the work of Connolly and Cady (2003), who advance the discussion of capacity by linking the components and the activities associated with capacity to organizational effectiveness.

Table 3.1 – The components and activities of organizational capacity associated with organizational effectiveness

Component	**Activities**	**Role in Organizational Effectiveness**
Mission, vision strategy	Strategic planning, Organizational assessment, Organizational development	Driving force for organizational Purpose and direction
Governance and leadership	Leadership development, Board development, Executive transition	The leadership defines policies, practices and provides oversight to the programs and operations.
(Cultural) program delivery & impact	Program design and development Evaluation	The service that is the organization's purpose
Strategic relationships	Collaboration and strategic planning, Marketing and communications planning	Alliances and partnerships contribute to the organizations respect and connections in the community
Resource development	Fund development Business planning for revenue- generating activities	Diverse revenue sources insure organizational stability and options
Internal operations and management	Human resource management and training; Financial management	Efficient and effective operations, Management support

	Operations technology and information systems Facilities planning Volunteer recruitment and management Conflict resolution

Table 3.1 identifies the components (or elements) of capacity building and the relevant activities that begin the discussion of capacity building models.

Models of Capacity Building

The models of capacity building developed by McKinsey[10] (2001), De Vita & Fleming (2001), The Packard Model, (Connolly & York, 2003) and Fate & Hoskins (2001) operationalize organizational capacity as a function of the interaction of capacity elements and associated activities. The four models reflect common concepts, a continuum of approaches and the individual perspectives of the theorists. Relevant themes and patterns include: the interplay of organizational processes, naming the elements, and differentiating between core elements, adaptive functions, and activities that strengthen the core elements.

Each model uses a visual metaphor to describe its framework; the McKinsey model (2001) is a pyramid; De Vita & Fleming (2001) creates a construct of pathways; the Packard model (2003) is series of concentric circles and Fate & Hoskins (2001) creates interconnecting ovals. The interplay of organizational processes is dynamically represented in a variety of ways in each model. McKinsey's pyramid is deceptively static in appearance; its external layer is the connection that binds the remaining building blocks. In comparison, De Vita &

[10] McKinsey for Venture Philanthropy Partners; Connolly and York, 2003 expanded on the original Packard Model

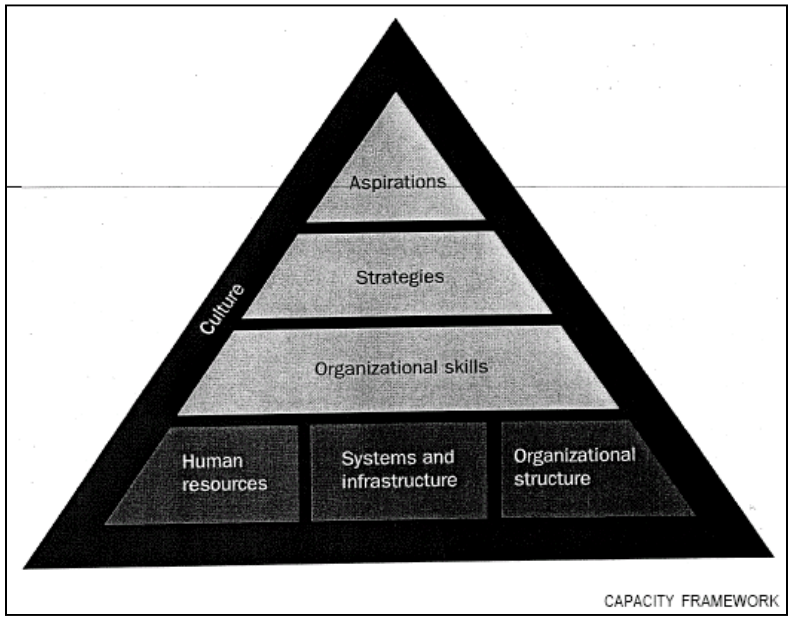
Fleming (2001) and Fate and Hoskins (2001) utilize directional arrows that suggest interrelatedness between the components and a mutual interdependence. Likewise, the Packard (2003) model's core inner circle, which houses the organizations culture, structure, beliefs and capacities, depicts its interactive processes with arrows and action verbs, creating a sense of movement.

There is a wide range of thought in the naming of the elements of organizational capacity among the models. De Vita & Fleming (2001) and Fate & Hoskins (2001) name five and six elements, respectively, that are necessary for high performance organizations. Each has vision & mission, leadership, resources and /or internal operations, products and services/program delivery and outreach/strategic relationships. Fate & Hoskins (2001) separate resource development, while De Vita and Fleming (2001) incorporated that function into resources. De Vita and Fleming do not articulate culture as clearly as the others. McKinsey (2001) and Packard (2003) have more elaborate models; both of these models have layers. McKinsey (2001) wraps culture around six essential elements, including aspirations, strategies, organization skills, human resources, systems & infrastructure, and organizational structure, as pictured in Figure 3.1. McKinsey (2001) defines these elements as follows:

Aspirations – mission, vision and overarching goals of the organization
Strategies - the actions and programs that fulfill the organization's mission
Organizational skills- total of the organization's capabilities:
Performance measurement, planning, resource management and external relationship building
Human resources – the collective skill sets, capabilities and potential of management, staff, volunteers and the board
Systems and infrastructure – knowledge management, decision making, planning and administrative systems

Organizational structure - governance, organizational design, inter-functional coordination (McKinsey, 2001).

Figure 3.1 - The McKinsey Model (2001)

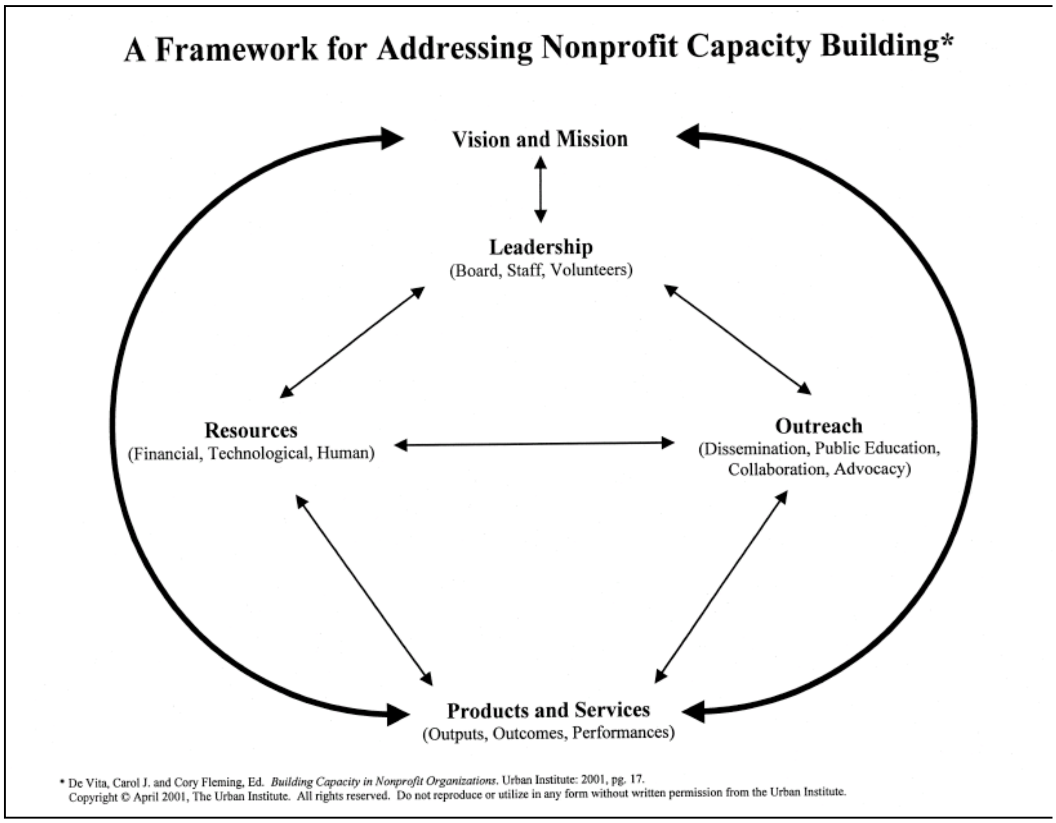


In contrast, Packard's model (2003) is an interactive system of concentric circles; the interplay between the Environment-Resources-Organization works in concert with the organization's inner circle core capacities. In Packard's model, the external environment is the outer circle, inclusive of the political and regulatory forces, social and demographic forces, economic and technological forces that have an input-output relationship with the organization's resources. The key resources that most affect the provision services are: the program design and model, technology, human resources, facilities, funding/finances and time.

Each model either visually or descriptively indicates a relationship with the environment or suggests interrelatedness between the components and a mutual interdependence. Both De Vita & Fleming (2001) and Fate & Hoskins (2001) highlight the interconnection of the organization - in- environment fit and relatedness. The model articulated by De Vita & Fleming (2001) is a useful framework because it is clear and precise, as illustrated in Figure 3.2. The elements are positioned strategically, and the multi- directional pathways suggest opportunities for capacity building activities.

Figure 3.2 - The

De Vita & Fleming Model (2001)



Both the McKinsey (2001) and the De Vita (2001) models are appropriate for this study in their articulation of the elements of capacity building. However, the McKinsey model (2001) provides the depth and discussion for assessing the elements of capacity building most congruent with this study.

Organizational Assessment

Assessment of individuals and families provides guidance in understanding both historical and current dynamics (i.e. bio-psychosocial, life cycle) that contribute to the subjects' functioning. The purpose of the assessment is to determine the type and scope of intervention to achieve the desired change or adaptation. Likewise, assessment of organizations provides a baseline of current functioning and development. The purpose of the assessment is to understand the organization's capacity, strengths and needs so as to provide interventions to strengthen and increase the organization's effectiveness.

The subsequent discussion of organizational assessment includes contributions by GTO (2004), Jacobs (undated), De Vita & Fleming (2001), and Linnell (2003) that describe four values of assessment for organizations. Philliber (2004) provides a review of the existing literature on assessment instruments for organizational capacity, and the development of the instrument used in this study.

Values of assessment for organizations

The values of assessment for organizations, noted in the literature are:

1. The commitment to mission and service effectiveness:

> The goal of capacity assessment should be to determine what capacities the organization possesses and what capacities the organization needs to develop, to implement programs with quality (GTO, 2004, p.63-64).

2. Jacobs, of the Environmental Support Center, notes that the value of assessment for organizations is its congruence with organizational stages and need. His notes four points for organizational readiness:

- The organization is open to change and willing to question itself.

- The organization can clearly describe its mission.
- Key members believe that capacity building will help to further the mission.
- The organization is prepared to commit the necessary time and resources to capacity-building" (Jacobs, undated summary report).

He acknowledges that even organizations in crisis can benefit, if the above conditions are in place (Jacobs, undated publication).

3. Assessment is the beginning of capacity building.

> The most effective capacity building begins with a thorough assessment of the needs and the assets of the nonprofit and the community in which it operates (De Vita & Fleming, 2001, p.65).

Assessment is one of three critical capacity building activities, along with intervention (i.e. management consultation, training, and/or technical assistance) and direct financial support (i.e. grants, working capital and operational support) by venture philanthropy, and consistent with social work practice.[11] De Vita & Fleming (2001) suggest that the act of a broad based assessment, in and of its self, is a means of capacity building.

4. Assessment is the beginning of a continuous quality improvement process.

> Assessment is the critical first link between stakeholder involvement, capacity building and evaluation. Assessment is both the basis of the change strategy and the baseline for evaluation. Assessment focuses on the current reality of an organization's situation in regard to capacity and effectiveness. Good assessment describes the assets and gaps in the situation and is based on feedback on the end users and other stakeholders (Linnell, 2003, p. 25).

Each of the four values of assessment for organizations found in the literature support the purpose of assessment as a means of determining organizational functioning and needs for the purpose of increasing capacity and effectiveness.

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[11] The forthcoming discussion of accreditation, will describe how the Council on Accreditation (COA) supports two of the three critical capacity building activities, assessment and intervention.

The following discussion describes the literature on existing organizational assessment instruments.

The literature and research on existing organizational assessments

In collaboration with the Council on Accreditation to develop a comprehensive organizational capacity assessment survey[12], Philliber (2004) commenced a review of the existing instruments and found a lack of consensus about what dimensions of capacity should be assessed when assessing an organization's capacity. The study identifies nine dimensions of capacity from a combination of eleven assessment instruments[13] and nine capacity sources that discuss capacity measurement. Philliber indicates, "There is not a single dimension that is included on every instrument measuring capacity and no single instrument includes every dimension" (p. 2). He identifies management capacity (9), fiscal resource management (9), mission & goals (7), and community linkage (11) as having the highest rate of inclusion. A majority of assessment resources include human resource management (6), information resources (5) and program outcomes and evaluation (5). The remaining two dimensions that appear with less frequency are cultural competence (3) and infrastructure (1) (Philliber, 2004). Cultural competence is often placed within human resources, although it must be integrated within all elements to be genuine. Infrastructure generally refers to internal operations or administrative systems. This could be inclusive of

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[12] This collaboration created what is now referred to as the Assessment of Organizational Capacity (AOC). A literature review was the first step in the development of the AOC. A task force of organization representatives and a subsequent review by a Board Committee preceded a pilot test of the AOC to determine content validity and reliability. (See Appendix F for greater detail). They were then reviewed to determine their congruency with the Administrative & Management Standards, 8th ed. Standards (See Appendix D).
[13]. See Appendix F. An Analysis of the Instrument and Pilot test, Assessment of Organizational Capacity, Council on Accreditation and Philliber Research Associates.

information systems, fiscal or management capacity. Consequently, the “extra” categories are likely to be designation differences.

Philliber, (2004) on behalf of COA , explicates that “as an organization increases its capacity to improve performance and achieve positive outcomes, it will make greater use of outcome – based accountability” (p.5). In order to demonstrate proficiency in achieving outcomes, organizations must not only have the capacity and resources to provide quality services, they require the performance indicators to benchmark progress, or lack thereof, and the mechanism to measure quality improvement.

Philliber (2004) identified five assessment instruments[14] and three capacity sources[15] with assessments of evaluation capacity for a total of eight entities. There were seven dimensions of outcome assessment. The predominate dimensions on nearly every measure or discussion are: identification of outcomes (8); identification of measures of outcomes (7); data collection and analysis capacity (7); and use of outcomes as measure(s) of success (7). In half the literature reviewed, (four of the eight sources), the use of data to improve programs, assessment of outcomes within subgroups, and focus on outcomes versus process were identified as important dimensions (Philliber, 2004).

Development of the COA assessment of organizational capacity survey

The COA assessment instrument was derived from the aforementioned collaboration with Philliber (2004) that included the literature review; development of the assessment instrument; and testing the assessment. A review by a task

[14] Community – Based Organization Self- Assessment Instrument , Matrix Org Assessment, Nonprofit Organizational Assessment Tool (Lerner) & Organizational Assessment of Capacity
[15] RAND, Social Venture Partners, Urban Institute. See Appendix F.

force and a subcommittee of the Board assisted in the use of language that was consumer – friendly. This process spanned 18 months.

The eight elements of organizational capacity on the Assessment of Organization Capacity, AOC (COA, 2005) are listed and defined. The core elements or components are the dimensions of organizational capacity that include: mission and goals, community linkage, management capacity, fiscal resource management, human resources, performance improvement, information resources, and cultural competence (Philliber, 2004). The AOC (Appendix B) contains the respective questions for each of the elements. Table 3.2 lists the eight elements of organizational capacity and their definitions.

Table 3.2 – Elements and Definitions of Organizational Capacity

Organizational Capacity Elements	Definitions
Mission and Goal	Identifies whether there are values, philosophies, or ideas that provide direction to the organizations.
Governance and Leadership	Assess the strength of the leadership in terms of decision – making processes and the manner in which roles and responsibilities are carried out. This includes the Board, CEO and the senior management staff.
Fiscal Management	Recognizes the organization's need for revenue and its ability to obtain and manage these resources.
Human Resource Management	Assesses structures and processes that provide competent skilled staff, and development and retention of the staff.
Information Resource Management	Evaluates an organization's ability to adequately use technology, including database management and website development.
Community Linkages	Assesses an organization's relationships with other agencies, outreach programs and the community- at- large in order to

	effectively deliver services.
Cultural Competence	Identifies an organization's ability to successfully serve and monitor various targeted cultural groups through representation and performance among staff members.
Performance Improvement and Outcomes: Identification of outcomes Data collection Use of data to measure performance and outcomes Use of information to improve programs	Measures an organization's capacity to identify outcomes and appropriate measures, collect and manage data, and use data to determine performance and make improvements to organizational structure.

Philliber, 2004

The COA assessment of organizational capacity (AOC) is supported by the organizational capacity literature (McKinsey, 2001; De Vita & Fleming, 2001; Light, 2002 & 2004; Philliber, 2004) developmental stage & life cycle literature (Quinn & Cameron, 1983; Cameron & Whetton, 1983; Simon, 2001; Light, 2002) and is congruent with the 2006 COA, 8th Edition of Administrative & Management standards[16]. The elements contained in the assessment of organizational capacity are relevant to the discussion of the need for capacity building, and challenges to capacity building for nonprofit organizations.

Research and evaluation studies of organizational capacity

Concepts associated with organizational capacity development in the nonprofit sector relate to the social work literature in the area of social work administration, with the focus on the link from administration to mission and service delivery (Patti, 1988; Oster, 1995); and organizational development theory, with the focus on the impact of the organization's life stage on its capacities (Cameron & Whetton, 1983; Hasenfeld & Schmid, 1989).

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[16] See Appendix D -2006 COA, 8th Edition of Administrative & Management standards

Schools of Social Work (i.e. Kean and Adelphi Universities), Venture philanthropy foundations (i.e. The Packard Foundation,), publishers or publications (i.e. The Wilder Foundation, Nonprofit Quarterly) and research & educational institutes (i.e. Aspen Institute, Alliance for Nonprofit Management) have established a dialogue and beginning research that explore the core elements of organizational capacity, capacity assessment and conceptual models.

Noteworthy beginnings in the study of organizational capacity building in the nonprofit sector include the work of Paul Light (2002, 2004) and the Alliance for Nonprofit Management (Linnell, 2003). Paul Light surveyed a cross section 318 high performing nonprofit leaders. Light's study focused on the perceptions of these leaders as to what contributes to organizational effectiveness, and capacity building as a means to that end. In his survey, Light (2004) identifies four broad responses to operationalizing the definition of capacity building: a means of increasing the organization's resources; a means of measuring the organization's activities; improving overall performance and outcomes; and maximizing efficiency. While conceptually significant, this discussion does not provide sufficient indicators to observe measure or evaluate the areas of capacity development.

Linnell (2003) for The Alliance for Nonprofit Management, in *Evaluation of Capacity Building, Lessons from the Field* evaluated 8 case studies, which provide rich qualitative material on the evaluation of organizational capacity building demonstration projects. The methodology included a literature review, interviews with over 60 practitioners and stakeholders. Linnell (2003) highlights the difficulty in measuring the impact of capacity building activities on organizational effectiveness.

The literature on organizational capacity can be categorized into four areas: definitions, models of capacity building, assessment and studies on capacity building. The research has led to the development of elements of organizational capacity, which are operationalized as variables for this study.

Chapter Four

Literature Review - Accreditation

The literature review on accreditation includes: a historical overview, accreditation philosophy and models, the value and relevance of accreditation for consumers and organizations, issues and challenges associated with accreditation, and current research on accreditation and organizational capacity.

Historical Overview

A historical overview of accreditation provides a foundation for current accreditation values, practice and as a tool for capacity development.

The history and origin of accreditation in the United States (Scrivens, 1995) can be traced to the medical profession and the academic world in the early in the 20th century. In 1910, the American Medical Association and the Association of Medical Colleges joined forces to develop a national accreditation body for medical schools with tough membership requirements. This standard-setting effort is reported to have impacted on the closing of medical schools, and the creation of the Liaison Committee on Medical Education (LCME) of the American Medical Association (Hamm 1997). Accreditation efforts were viewed as “important quality controls” in the broad scope of medical care. Scrivens (1995) notes “accreditation systems were designed originally to protect the medical profession from the worst effects of poor environments and poor organizations” (p.12). The focus of accreditation subsequently evolved to attend to issues of professionalism, new treatments, clinical approaches and political factors in health care (Scrivens, 1995).

The academic accreditation process commenced in 1906 when the National Association of State Universities met in Massachusetts to develop and interpret common standards of admission to college. This led to the formation of the North Central Association of Colleges and Secondary Schools, which began accrediting colleges in the region in 1910 (Hamm, 1997). Academic accreditation has undergone significant changes with process since its inception. Notable changes include: a shift to qualitative general standards from quantitative, specific standards; recognition of the individuality of institutions instead of encouraging uniformity; a system of self- evaluation instead of external review; and a shift in focus to educational quality improvement instead of an emphasis on the institution (Hamm, 1997).

Social work accreditation has its roots in both education and professional practice. Brommel (2006) traces the history of social work accreditation to the American Association of Schools of Social Work (AASSW). Founded in 1921, the AASW would only include graduate schools as part of its membership. The National Association of Schools of Social Administration (NASSA) was founded in 1942 as the alternative to AASSW, seeking to be more inclusive of those without graduate education (Leighninger, 1987; Kendall, 2002). The creation of the Council on Social Work Education (CSWE) as the accrediting body for social work education was the resolution to the rift between its predecessors, the AASSW and the NASSA. The American Association of Social Workers (AASW), created in 1921 by educators interested in standards for both education and practice, became the largest association for social workers from a wide range of fields of practice. In 1955, it merged with other social work associations to become National Association of Social Workers (NASW) (Brommel, 2006; Leighninger, 1987).

The historical overview frames the discussion for modern accreditation bodies and practices. The three leading, national organizations who provide multi-service accreditation to the nonprofit sector are: the Council on Accreditation (COA) from a human service and social work perspective; the Commission on Accreditation of Rehabilitation Facilities (CARF) from the rehabilitation field and the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) from the medical community. The key dimensions of the three nationally recognized, multi-service bodies that accredit nonprofit social service organizations are described in Table 4.1.

Table 4.1 – Dimensions of Three National Accrediting Bodies: COA, CARF and JCAHO

	COA	CARF	JCAHO
Origins	The Child Welfare League of America (CWLA) & Family Service Association of America (FSAA, now the Alliance of Children & Families, ACF) proposed a means of social service accreditation for member agencies to ensure accountability, effective service delivery, secure funding and child safety, with the sanction of the United Way. In 1977, the Council	In 1966, the Commission on Accreditation of Rehabilitation Facilities, known as CARF, was founded. CARF provides accreditation nationally and abroad in the areas of rehabilitation, employment, child & family, and aging services to human service providers. In 2003, CARF acquired the Continuing Care Accreditation Commission (CCAC), which founded in 1985, was the only	The Joint Commission for the Accreditation of Healthcare Organizations (JCAHO) developed out of the medical model in the 1950's as the accrediting body for the health care and hospital industry. In an effort to expand into broader healthcare and allied service networks, the name was changed from hospital to healthcare in 1988 (Scrivens, 1995).

	on Accreditation of Services for Families and Children (COA) became a separate legal entity. (Brommel, 2006)	accrediting body for continuing care retirement communities and aging services (www.carf.org).	
Philosophy	Social work model; Strong Admin & Management + Service Delivery=↑org. capacity & positive client outcomes	Rehabilitation model	Medical model
Model of Accreditation	Total organization becomes accredited with its services.	Emphasis is on services	Total organization becomes accredited with its services.
Strengths	Ongoing TA; Facilitative process; Emphasis on partnership with organizations & COA, Peer review process; web-based training and processes, emphasis on CQI.	Consultation during the survey; Levels of accreditation	Specialization in hospital accreditation; long history; website
Standards	Management and 38 service standards. Outcomes oriented, evidence informed.	Behavioral health, opioid treatment, child & youth.	Management and 19 service standards.
Process	Assessment, self-study, site visit with volunteer reviewers to demonstrate implementation of the standards, decision processes.	6 months of standards conformance; contact CARF to schedule the survey, decision processes.	Self study, survey visit reviewers to demonstrate compliance with the standards, decision process.
Challenges	Time, cost	Readiness and pre site- visit consultation is limited.	Unannounced visits Regulatory emphasis Time, cost

As indicated in the aforementioned table, the model of accreditation for both COA and JCAHO is accrediting the entire organization, along with its services. COA's emphasis on organizational capacity is woven into the administrative and management standards. CARF, while addressing administrative functions, is known for its attention on services. Each accrediting entity has unique strengths: COA has a strong pre-site visit, facilitative process with built-in technical assistance, consistent with its partnership philosophy. Peer reviewers are vetted volunteers in the field. CARF offers levels of accreditation and provides consultation during the survey. JCAHO has a long history and reputation in health care accreditation. COA and JCAHO have similar process steps, as outlined above; however, the approach to the process is different. COA and JCAHO both have vigorous pre- site visit assessment (i.e. self study) processes. In contrast to COA, JCAHO uses paid professionals as site visit reviewers. JCAHO has used the root cause analysis. COA emphasizes a continuous/performance quality improvement approach. Site visits are prescheduled with COA and CARF, whereas JCAHO has added unannounced site visits. Differences among the accrediting bodies have to do with when consultation and technical assistance occur. COA provides assistance throughout the process, with the exception of the site visit. CARF provides consultation as part of the site visit.

The philosophical diversity can be summed up in the outcomes designation that each entity employs. COA asks for demonstration of standards implementation; CARF looks for standards conformance; and JCAHO asks for demonstration of compliance. All three accrediting bodies provide accreditation to their original, core constituencies; however, each has branched into broader service industries. JCAHO and CARF have added child welfare standards. COA has behavioral health and financial debt management standards. Each has expanded web-based information and communication.

The National Committee for Quality Assurance (NCQA) and National Association for the Education of Young Children, (NAEYC) are two noteworthy accrediting bodies in related fields. The development of health maintenance organizations (HMO's) and managed care influenced the creation of the NCQA in the 1990's. Hamm (1997) suggests that this organization is important in protecting the public interest, as the managed care world is complex, making the evaluation of quality a challenge. NAEYC is a national accreditation body since the mid 1980's, which focuses on child-care programs and facilities. NAEYC accreditation focuses on the self-assessment and quality improvement (Brommel, 2006).

Each of the accreditation entities described are independent from government and licensing; however, the complexity of the relationship to governmental oversight warrants discussion.

Relationship with Government and Licensing

Accreditation is often confused with regulatory body roles and functions. Scrivens (1995) offers the following definitions, which clarify various roles outside of the accreditation realm.

> License – to authorize by legal grant or permission
> Certificate – a written testament of ability
> Authorize – to make legitimate by authority
> Inspect – to view and examine officially
> Regulate – to control or order by restrictions (p. 12).

Accreditation is different than licensing, regulatory audits or monitoring activities that are a condition of public funds. Certainly, as a prerequisite to accreditation, organizations are expected to have the appropriate or necessary license to operate consistent with the laws of its local and state jurisdiction and/or by federal regulation. Government recognitions and deemed status reward organizations that seek accreditation. In some instances, regulators mandate accreditation, and use it as a tool to insure basic compliance with legal requirements.

Hamm (1997) suggests that accreditation programs can complement state regulatory efforts, which are often under-funded, massive and not embraced by the state, field or public. “The challenge for accrediting and credentialing bodies is developing discipline mechanisms that can provide adequate public protection without alienating the regulated field” (p.43). Weissman (1980) suggests that systems of accountability and sanctions by accrediting bodies could strengthen the creditability of accreditation.

Accreditation bodies are independent entities not governed by federal regulation. However, the third party payee (i.e. Medicaid/ Medicare) system contributes to government’s role changing in the reimbursement-regulation-recognition formula. Government has injected itself into the paradigm, without formally stepping on the toes of accreditation, as an independent standard-setting and review body, as described by Scrivens (1995).

> The body defining and monitoring standards in the United States remains independent: participation in the scheme voluntary. In practice, both principles have been blurred. In a sense, JCAHO is both competing with the federal government and dependent on it when it comes to writing standards: it has become, as it were, part of the public system,(Scrivens, p.19).

Still, government entities can partner with national accrediting bodies to support conformance with standards that are consistent with regulations. In these instances, the government can support and require accreditation to providers as a condition of service contracts. The government accepts the accreditation process, standards of the accreditor, as well as the accreditation decision made the accreditor. The government can, and does collaborate with the accrediting bodies on standards development, particularly as it relates to legal statute. The provider organization has a relationship with the accrediting body, and the contracting governmental entity (i.e. Federal SAMSHA for Opioid Treatment; The Hague for International Adoption).

Interestingly, the relationship between government and accreditation raises controversy similar to that of the relationship between government and nonprofit organizations. The boundaries of reciprocity, authority, autonomy and control shape public opinion and practical considerations as to the value of accreditation, and the identity of nonprofits. However, the philosophy and models of accreditation that support capacity building serve to further differentiate accreditation from licensing and government oversight.

Accreditation Philosophy and Models

There are five philosophies and models of accreditation that support organizational capacity building relevant to this discussion. The social work model supports the development and understanding of the remaining models. The two seemingly competing philosophies about accreditation, conformity and contextual, are explored, along with the process model and means-to-an-end philosophy.

The social work model (Reid, 1977; COA 1986) used the values of the field as its criteria for accreditation, as distinguished from the medical model. It was this philosophy that was instrumental in creating COA. [17] This model has five elements that reinforce the goals of agency-based practice "to enhance personal and social functioning…based on the theories and techniques of social work and closely related professions" (Brommel, 2006, p.86). The elements are: professional social work training and supervision, accountability to the community, client participation in service provision, and a holistic approach to assessment and service delivery (Brommel, 2006).

Scrivens, (1995); Hamm, (1997); and Nichols & Schilit, (1992) emphasize the conformity and standardization of organizational systems and practice as an output of accreditation. It is the traditional philosophy of accreditation. Standards are formal guidelines, measures and quality benchmarks used to assess conformance, and are the basis for determining the quality of the organization's policies and practices (Nichols & Schilit, 1992). This traditional model of accreditation focuses on the integrity and the vigor of the standards development, without attention to an organization's size, scope, environment or implementation variations.

Contextual accreditation was conceptualized by Richard Klarberg at the Council on Accreditation. This philosophy requires COA to maintain the integrity of the standards, while recognizing the unique culture, environment, developmental stage and the goals of the persons they serve (Klarberg, 2005). This provides an opportunity for organizations to demonstrate implementation of

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[17] See Table 4.1 – Dimensions of Three National Accrediting Bodies: COA, CARF and JCAHO

the standards in a variety of methods, appropriate for that organization's context, instead of prescriptively and without regard for, where the organization is in its development. This allows a small rural organization to develop meaningful processes that would not fit a large multi- state provider, and still demonstrate implementation of the standards. It allows for developmental difference and a continuous quality improvement component to organizational growth. It supports organizational assessment as both a benchmark of organizational functioning and can direct an organization on how to implement the standards in a manner that builds capacity. The coexistence of both conformity and contextual philosophies of accreditation supports organizational capacity building.

Johnson and Grieder (2005) promote a process model of accreditation that seeks to "build a performance improvement system around accreditation standards and then utilize a functional information management system to facilitate the process" (p.20). The process requires a supportive organizational culture. Johnson and Grieder (2005) note three criteria necessary to support the process model accreditation: "leadership that embraces change, stakeholder participation and open channels of communication" (p.21). The process model focuses on two critical elements in capacity building, performance improvement and information technology. They determine these two elements of capacity to be the "drivers" for organizations achieving both accreditation and enhanced organizational functioning. This model is congruent to the means-to-an-ends perspective, which supports accreditation as a process for continuous learning, self- assessment and ongoing improvement.

Morison Murphy (2005) contrasts the *means-to-an-ends* to the *end-in-itself* perspective. The means-to-an-ends perspective articulates a philosophy that accreditation is not an end point. It is both a tool and a process for organizations to meet the best practice standards and their desired outcomes for persons served. The “product” for organizations is not the accreditation plaque; it is the gains made by the organization for participating in the process of self-examination and growth. Morison Murphy (2005) describes the core concepts of the means-to-an-ends thinking, which are consistent with the literature on capacity building and the *COA Accreditation: Building Organizational Capacity to Improve Performance and Achieve Positive Outcomes (Logic Model Version 5, March 2006).* These core concepts include:

- the need for competent supervisory staff,
- the use of CQI to improve practice,
- change management linked to service delivery,
- the importance of collaboration,
- the link from mission through strategic planning and outcomes,
- outcome measurement and its connection to organizational functions,
- sound policies and practices for health and safety as a means of risk management.

The Social work model (Reid, 1977; COA, 1986); Standards conformity (Scrivens, 1995; Hamm, 1997; Nichols & Schilit, 1992); Contextual accreditation (Klarberg, 2005); Process model (Johnson & Grieder, 2005); Means-to and-end philosophy (Morison-Murphy, 2005); along with the COA Logic Model (Version 5, March 2006) provide the philosophical thinking that supports accreditation as a means of capacity building, and its value and relevance to consumers and organizations.

The Relevance and Value of Accreditation

Hamm (1997) describes the common elements of typical accreditation as:

- incorporating a formal, systematic, structured process for standards development and review;
- having a national scope;
- focusing on an entire organization or specific components of an entity;
- a mechanism of self regulation;
- usually voluntary, and a volunteer driven process;
- involving peer review;
- is a continuous long-term relationship for both the accreditor and organization.

He notes that the goals of accreditation are to protect the public and promote continuous quality improvement. By elaborating on the process, he articulates the mutual value of accreditation for both the consumer (protection) and the organization (continuous quality improvement).

The value of accreditation for consumers

Hamm (1997) describes several factors that promote the value of accreditation for consumers.

Rapid Change – The rate of change in our institutions and organizations creates challenges for leadership which balance regulations, client need, human and fiscal resources demands, new technologies and knowledge, and socio-political realities. Fulmer (2005) notes the sheer velocity of change can create complexity for and within an organization. Hamm (1997) notes that many changes can be beneficial, such as hospitals becoming health care systems; nevertheless, institutions must continuously evaluate its mission and operations. Changes can also cause potential confusion for consumers when old perceptions about roles don't mesh with current realities. "Dynamic and credible accreditation programs can produce changing measures of performance while still retaining the core values and desirable characteristics of the field of interest" (p 40).

Assessing Credibility – Light (2002) discusses the questionable confidence the public has in the nonprofit sector. Hamm (1997) extends the question of public confidence and trust to the federal government and long standing institutions, noting a trend of American skepticism that is pervasive in our culture. The trend of national distrust may increase the demand for, and importance of effective accreditation.

Privatization – The cost cutting advantages of outsourcing and privatizing come with concerns about the quality of services and whether the new provider will have the level of commitment of traditional providers. "Accreditation programs can offer an organized method of ensuring these programs meet minimum quality standards, regardless of the service provider" (p.41).

Government Deregulation – Government deregulation efforts stem from the political movement to downsize federal oversight, and the cost of this oversight. This free market philosophy supports self-regulation and "private sector control mechanisms to ensure quality in national institutions and the corporate world" (p.41). Hamm (1997) notes that credentialing is increasing in popularity for professional associations. Industry support for private sector regulation is seen as advantageous to the industry and less costly for the public.

Win-Win Concept – Accreditation is an example of what Hamm (1997) refers to as a win-win. "Developing quality performance standards for organizations creates an opportunity for the better organizations to demonstrate achievement" (p.42).

The Relevance of Accreditation for Organizations

Accreditation is “a conformance assessment process where an organization or agency uses experts in a particular field of interest or discipline to define standards of acceptable operation/performance for organizations and measure compliance with them” (Hamm, 1997, p.151). According to Weissman (1981) “accreditation in its simplest form means that one organization has met certain standards of performance and that this *measuring up* is attested by another independent organization” (p.41). Thus, the value of accreditation is recognition that an organization meets standards of performance as measured by an independent entity. For an organization, this translates to recognition, respect and credibility afforded to them by the public, funding sources and other stakeholders. Accreditation builds legitimacy for organizations.

Formalized recognitions are given to organizations from government entities as an acknowledgement of their accreditation status. While recognitions vary state to state, they generally fall within two categories: deemed status and monetary incentives. Deemed status allows regulatory relief to an accredited organization, which is “deemed” in compliance with specific state licensing requirements. Monetary incentives can be favorable reimbursement rates, such as a tiered system with higher reimbursements for organizations that are accredited. Another example of recognition is the provision of monetary assistance to organizations towards their accreditation costs. Recognitions affirm the government’s belief that accredited organizations demonstrate accountability and best practice service delivery. Recognition rewards voluntarily, accredited organizations in good standing with licensing requirements and raises the bar in terms of expectations for quality service delivery (Blake, Williams-Gray & Wesley, 2005).

Pollack (2005) discusses several benefits of accreditation for organizations. Respect and credibility is afforded to accredited organizations. He highlights quality, accountability, commitment and flexibility as the values accreditation brings to an organization. The appeal to prospective employees and funding sources are additional positive outcomes for accredited organizations.

Accreditation is recognized nationally as a symbol of quality; thus, an organization seeking accreditation is identified with being serious about setting and achieving high standards. Pursuing accreditation shows the public that an organization is voluntarily “committed to responsible practice and promotes the development and implementation of measures that can point to quality improvement over time” (p.26). Pollack notes accreditation shows the commitment an organization has to developing and maintaining quality services by measuring itself against national benchmarks. The accreditation process also demonstrates an organization’s ability to respond to ongoing changes in regulations. Accreditation can impress funding sources evaluating organizations that can most effectively deliver services (Pollack, 2005).

Yet, real value of accreditation is that it is a process undertaken by an organization for its continual improvement (Klarberg, 2005; Hamm, 1997) and capacity building (Hazard, Pacinella & Pietrass, 2002; Anderson, 2002; Morison Murphy, 2005; Johnson & Grieder, 2005;; Blake, Williams-Gray & Wesley, 2005; Pollack, 2005). Despite its value and relevance, accreditation is not without its issues and challenges.

Issues and challenges

The literature and feedback from organizations indicate accountability, resources, fit and process, and lack of outcomes or empirical evidence, as noteworthy issues and challenges for accreditation.

Accountability – Weissman (1980) describes the need for accrediting bodies to use accountability procedures to shift the focus from problem identification to a solution orientation. He suggests that organizations must trust accreditors to assist them with problems instead of "punishing" them, particularly for matters outside of the organization's control. Yet, he also suggests that accreditors, because of the reciprocal relationship with organizations, may not take action, or apply the consequences available (i.e. withholding accreditation) for organizations that are not accountable.

Resources – The most consistent complaint about accreditation is the cost, in terms of time and resources. Cost in real dollars, resources and staff time have been long standing barriers to organizations utilizing accreditation. These barriers are particularly relevant for organizations that feel the pressure of multi-tiered government regulation and oversight, without relief for meeting accreditation standards. Staff is already stretched because of diminishing resources. Time preparing for accreditation is seen as time away from direct practice and other critical organizational tasks. The preparation of the self-study has been seen as costly to the organization.

Process and Fit – Accreditation is a time intensive process, particularly for organizations that are in their early stages of developing, new to accreditation, and/or without a developed infrastructure. The standards may be a stronger fit for organizations that are developmentally “middle age” or what Light (2004) refers to as the intentional and robust nonprofit. New, developing organizations establishing systems and infrastructure can utilize the standards as a technical support tool; yet, it is challenging for such organizations to demonstrate implementation of the standards in a timely manner.

Organizations are often confident of their practice and don’t believe they need external validation. Likewise, there are organizations that believe they cannot meet the standards based on their current capacities, and without a mandate, opt not invest in accreditation.

Lack of outcomes or empirical evidence – Pollack (2005) notes that accreditation must be outcomes-based. There is an assumption that accredited programs are quality programs; however, there is a lack of empirical data, based on outcomes, to support program replication. Evidence-based practice is a means of achieving best practice. Accreditation can be value-added when it is evident to organizations that being accredited is aligned with best practice. Pollack (2005) believes accreditation’s primary limitation and future need is a focus on outcomes. He states:

> Of critical importance in accreditation is ensuring that the particular model of accreditation actually ensures that child welfare agencies are meeting acceptable levels of quality across the spectrum of their activities. It (accreditation) hopes that good outcomes will follow from good inputs, though accreditation does not purport to directly evaluate outcomes. But if we are not empirically measuring results, how can we distinguish success from failure? (Pollack, 2005, p.26). [18]

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[18] COA 8th edition standards accreditation are described as performance driven, evidence informed and outcomes oriented. See Appendix C, COA Administration and Management Standards, 8TH Edition.

While the challenges to accreditation are not without merit, the value of accreditation as a means of expanding organizational capacity and meeting best practice service standards outweigh the issues noted in pursuing accreditation.

Current research on accreditation as an instrument of capacity building

The nonprofit management and social work literature is limited in its exploration of accreditation (Reid, 1977; Weisman, 1980; Nichols & Schilit,1992 ; Morison-Murphy, 2005; Brommel, 2006). There is one references identified in the social work literature linking accreditation to building organizational capacity (Morison Murphy, 2005).

Likewise, the discussion connecting organizational capacity and accreditation is limited to: accreditation models and philosophies generated in the accreditation field, Contextual accreditation (Klarberg, 2005); Process model (Johnson & Grieder, 2005); Means-to and-end philosophy (Morison-Murphy, 2005); the COA Logic Model (Version 5, March 2006), seeking to foster the connection between accreditation and capacity; one study (Hazard, Pacinella & Pietrass, 2002) and four publications/presentations (Anderson, 2002; Johnson & Grieder, 2005; Blake, Williams-Gray & Wesley, 2005; Pollack, 2005).

The National Clearinghouse on Child Abuse and Neglect realized that their library only had one citation on accreditation (Blake, Williams-Gray & Wesley, 2005). The Alliance for Nonprofit Management notes the scope of capacity building agents to include: consultant, management support organizations (MSOs), grantmakers, researchers, universities & academic centers, umbrella organizations, technology firms and national/international organizations, such as membership groups, coalitions, think tanks, and research institutions (Linnell, 2003). Accreditation was not included on the list.

Two research studies begin the exploration on the value of accreditation for human service organizations. In 1997, the accreditation process of the National Association for the Education of Young Children (NAEYC) was the subject of a study conducted by the National Center for the Early Childhood Work Force. The study found that accreditation did improve service quality provided by an organization. However, there are other factors (i.e. skill level of the providers) that are indicators of high quality; consequently, accreditation is limited in its ability to ensure quality (Howes, Sakai & Whitebook, 1997). In 2002, the Aspen Institute funded a small exploratory study conducted by the Council on Accreditation (COA) to study the *Impact of Accreditation on Organizational Performance.* COA has as its mission, to improve positive outcomes for children and families served by organizations that are COA accredited (Hazard, Pacinella & Pietrass, 2002). This small study is based on a comparison of three accredited organizations and three similar non- accredited organizations. There are differences found in three areas key to the management of non-profit organizations: personnel evaluations, corrective action and risk management. In accredited organizations, employee evaluations "all included a review against performance expectations, objectives for the future and for training and skill development" (Hazard, Pacinella & Pietrass, 2002, pp. 12-13). Non-accredited organizations in the study conducted personnel evaluations; however, documentation was inconsistent; the evaluation process and the criteria for performance were unclear (Hazard, et.al, 2002).

Accredited organizations had protocols to identify problem areas and make changes and improvements, for programs and the organization at large. “The corrective action plan in these organizations was not seen as the final step, but one part of a continuous process of internal evaluation and development” (Hazard, Pacinella & Pietrass, 2002, p.13). Non-accredited organizations in this study, with corrective action plans, did not have systems to evaluate the effectiveness of the plan and its activities (Hazard, et.al. 2002). Accredited organizations had processes in place to plan for and effectively manage adverse situations and risks to the organization. “The governing bodies of accredited organizations were consistently involved with reviewing the nature of risks to the organization” (Hazard, Pacinella & Pietrass, 2002, p.12). Non-accredited organizations in the study did not involve the governing body, a key stakeholder, in risk management (Hazard, et.al. 2002).

While the findings are noteworthy, the sample size does not allow the results to be generalized to other organizations. However, results of the study suggest what practice wisdom tells us: implementing accreditation has the potential to enhance organizational infrastructure and management systems.

Information on accreditation as a capacity builder is based on qualitative vignettes, anecdotal information or gleaned from satisfaction surveys. The North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services selected COA as an accreditor, in part because of the focus on strengthening organizational capacity and service delivery. Additionally, participation in a readiness assessment to establish a baseline for benchmarking was noted.[19]

When a CEO at an accredited organization discussed his organization's journey through the accreditation process, he said,

> Change is not comfortable! I began to notice that as the changes we were making began to take effect, the groaning tended to decrease. Eventually the groaning stopped as it was replaced with a new sense of conviction as to the merits of doing things a better way. Our standards had been raised and we hadn't even realized that they had needed raising (Anderson, 2002, p.21).

This vignette underscores the thinking behind this research, which is, a relationship between accreditation and organizational capacity, does exist. The vignette illustrates both the practice wisdom and the lack of empirical evidence to generalize this experience as a capacity building outcome of accreditation. Thus, a compelling reason for this study is to provide knowledge and evidence as to whether accreditation is a capacity building vehicle for nonprofit social work organizations.

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[19] At the 2006 National Council for Community Behavioral Healthcare Conference, workshop presenter, S. Taggart, from Onslow County Behavioral Healthcare Services described the rationale and criteria for North Carolina's selection of COA as the accrediting body for its counties.

Chapter Five

Evaluation and Summation of the Literature

The literature review traces the development of the nonprofit sector, the research on developing organizational capacity, and the origins and current accreditation practice. Interestingly, theories of development in both the nonprofit and accreditation arena address the influence of economics (Salamon, 1994 & 2003; Oster, 1995; Hamm, 1997; Frumkin, 2002; Light, 2002; Morison Murphy, 2005) and value systems (Scrivens, 1995; Hamm, 1997; Frumkin, 2002; Salamon, 2003; Morison Murphy, 2005). The nonprofit and accreditation literature both reveal challenges with their respective relationship or partnership with government entities (Scrivens, 1995; Hamm, 1997; Frumkin, 2002; Light, 2002; Salamon, 2003).

The literature on the nonprofit sector and organizational capacity both reflect definitional complexity (De Vita & Fleming, 2001; McKinsey, 2001; Light, 2002; Frumkin, 2002; Salamon, 2003; Blumenthal, 2003).

The literature on the nonprofit sector paints a context of the strengths, needs and issues faced by the sector (Frumkin, 2002; Light, 2002 & 2004; Salamon, 2003) that connect directly to accreditation standards (Morison Murphy, 2005; COA 2005, 8th Edition Standards) and organizational capacity (McKinsey, 2001; Light, 2004; Philliber, 2004). This literature review found the connection between organizational capacity and the nonprofit sector to be substantial, accounting for 35 references in this study.

The nonprofit management and social work literature is limited in its exploration of accreditation (Reid, 1977; Weissman, 1980; Nichols & Schilit, 1992, Brommel, 2006). There is one references identified in the social work literature linking accreditation to building organizational capacity (Morison Murphy, 2005). Likewise, the discussion connecting organizational capacity and accreditation is limited (Hazard, Pacinella & Pietrass, 2002; Anderson, 2002; Pollack, 2005; Morison Murphy, 2005; Johnson & Grieder, 2005; Klarberg, 2005; Blake, Williams-Gray & Wesley, 2005; Brommel, 2006). Only two studies, both of which come from the accreditation arena, link accreditation to organizational capacity literature, (Howes, Sakai & Whitebook, 1997; Hazard, Pacinella & Pietrass, 2002).

The literature for each of these respective areas, the nonprofit sector, accreditation and organizational capacity, focus on common themes: organizational effectiveness, mission and organizational culture, sustainability, the need for capacity development, leadership and human resources, use of technology for efficiency, service delivery and change management. Accreditation can serve as a means of capacity building for organizations; the elements defined in the organizational capacity literature have common characteristics with the COA administration and management standards.

Significant Findings

Important beginnings in the study of organizational capacity building in the nonprofit sector include the aforementioned work of Paul Light (2002) and the Alliance for Nonprofit Management (Linnell, 2003). Paul Light surveyed a cross section of 318 high performing nonprofit leaders. Light’s study focused on the

perceptions of these leaders as to what contributes to organizational effectiveness, and capacity building as a means to that end. The Alliance for Nonprofit Management, in *Evaluation of Capacity Building, Lessons from the Field* evaluated 8 case studies, which provide rich qualitative material on organizational capacity building demonstration projects (Linnell, 2003).
The literature reflects viable models of capacity building (Fate & Hoskins, 2001; McKinsey, 2001; De Vita & Fleming, 2001; Connelly & York, adapted from Packard, 2003). Philliber's (2004) review of the literature on organizational assessment instruments found a lack of consensus about what dimensions of capacity should be assessed. The study identifies nine dimensions of capacity from a combination of eleven assessment instruments[20] and nine capacity sources that discuss capacity measurement.

The development of assessment instruments serves as both a means of, and to identify the need for, capacity building (the McKinsey Grid, 2001; the Wilder Life Stage Assessment, Simon, 2004; and the COA Assessment of Organizational Capacity, 2005). Additionally, organizational assessment links directly to the theoretical underpinning of this study, organizational life cycle and developmental stages.

Finally, two studies discussed earlier, the NAEYC study (Howes, Sakai & Whitebook, 1997) and the COA and Aspen Institute collaboration (Hazard, Pacinella & Pietrass, 2002), begin the exploration of accreditation and organizational capacity. Both focus on the impact and effectiveness of

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[20] See Appendix F, An Analysis of the Instrument and Pilot test, Assessment of Organizational Capacity, Council on Accreditation and Philliber Research Associates. See page 55 in this study.

accreditation for organizations. Despite the gaps in the literature, there is a beginning discussion connecting assessment ↔developmental stage ↔capacity↔ accreditation ↔ assessment.

Gaps in the Research

The aforementioned beginning discussion in the literature does not negate the gaps in the research. The primary omission in the literature is limited research connecting organizational capacity in the nonprofit sector to accreditation. Only Howes, Sakai & Whitebook (1997) and Hazard, Pacinella & Pietrass (2002) focus specifically on the exploration of accreditation and organizational capacity.

Each of the studies noted earlier in this discussion have methodological challenges, or issues related to scope of the study, or the size of the sample. Consequently, it is not possible to generalize about organizational capacity outcomes based on the existing research. According to McKinsey (2001), a key gap in the research is the lack of a clear linkage from capacity building to social impact. While he is convinced of the causal relationship, he notes that it is difficult to quantify.

De Vita & Fleming (2001) identify recommendations for improving capacity building that are rooted in gaps in the current research:

- Conduct a more comprehensive study of “good practices” in capacity building, (via data base)
- Conduct a series of case studies of capacity-building programs in philanthropy
- Conduct empirical research on the effectiveness of specific capacity building interventions

De Vita and Fleming (2001) focus on the role of philanthropy in capacity building. While philanthropy can play a valuable role, social work leadership, education, nonprofit organizations and capacity building accreditation bodies have an important contribution, in resources and knowledge, to drive this research.

Conclusion

This study deals specifically with conducting *empirical research on the effectiveness of specific capacity building interventions.* The assessment of organizational capacity can provide a baseline of an organization's current capacity. The implementation of COA accreditation standards and the process is the capacity building intervention. Re-assessing the organization's capacity later, during the accreditation process, can provide evidence of accreditation as a builder of capacity.

Clearly, the literature provides a direction for further exploration of accreditation as a means of organizational capacity in the nonprofit sector. This study attempts to address the lack of empirical data regarding the value of accreditation in strengthening nonprofit administration and infrastructure towards overall organizational capacity.

Chapter Six

Research Design and Methods

This chapter will present the goal of the study, articulate the central research questions that are driving the study and define the variables that will allow the questions to be answered. The research design and methodological approaches utilized in this study will be discussed in relation to the literature and current knowledge in the field. The target population and sampling approach are described. Data collection and the appropriateness and feasibility of the research plan are discussed. Data management and the plan for data analysis are described. Finally, the methods and human subject considerations are addressed.

Goal of the study

The goal of this study is to expand upon the current knowledge about how nonprofit organizations increase their capacity, in service of their mission, and to determine if, and more specifically, in what way, accreditation facilitates this process. In principle, if organizations are able to identify their capacity- related tasks and needs, they can strengthen and increase their effectiveness. There is an extant knowledge base regarding the relevant aspects of organizational capacity, as well as about the value of accreditation. However, existing research lacks empirical evidence of the relationship, if any between organizational capacity and accreditation.

Research Questions

This study proposes to explore the relationship between implementation of COA accreditation and organizational capacity in nonprofit social service organizations, with information that is routinely available to COA. Specifically, the overarching question is: Is there an association between engaging in the accreditation process and change in organizational capacity? The research questions addressed in this study are:

(1)What are the assessments of organizational capacity of organizations prior to seeking COA accreditation?

(2) What organizational characteristics are associated with assessments of organizational capacities prior to seeking COA accreditation?

(3) Does organizational capacity change following the COA accreditation process?

(4) Is change in assessment of organizational capacity associated with COA accreditation outcomes?

(5) Is first time versus reaccreditation status of the organization associated with outcomes under different conditions of change?

Next, the study variables, organizational capacity and accreditation, are defined conceptually and operationally.

Variables

Conceptual Definitions

Organizational capacity

A dependent variable is “a factor or characteristic that we think is caused, produced, or effected by some other factors” (Greenstein, 2001, p.18). For the primary question regarding impact of accreditation on organizational capacity, the dependent variables are indicators of organizational capacity. Organizational capacity refers to the range of resources, actions and activities necessary for the organization to sustain, grow, and to be effective in achieving its purpose and mission. It is a vehicle to develop and enhance the leadership, management and organization's capabilities to improve, organizational effectiveness (Cambosasso & Davis, 2000; McKinsey, 2001; Blumenthal, 2003).

Eight aspects of organizational capacity are assessed in this study: mission and goal, governance and leadership, fiscal resource management, human resource management, information resource management, community linkage, cultural competence, and performance improvement & outcomes measurement. These aforementioned elements have been identified in the field as the most critical aspects of organizational development and improvement for the goal of organizational effectiveness (Fate & Hoskins, 2001; McKinsey, 2001; De Vita & Fleming, 2001; the Packard Model, Connolly & York, 2003; Simon, 2004; Light, 2004). These were measured both prior to undertaking the COA accreditation process and again at the completion of the process but prior to obtaining the COA results.

Accreditation

An independent variable is "a factor that causes, affects, or produces changes in the dependent variable" (Greenstein, 2001, p.18). The central independent variable in this study is the outcome of the COA accreditation process. The conceptual definition of the outcome of the COA accreditation process is based on how well the organization demonstrated implementation of COA administration and management standards related to: Governance, Ethical Practice, Performance Quality Improvement, Financial Management, Human Resources Management, and Risk and Prevention Management. The final outcome is based on the quality of documentation provided in the pre-site visit documentation, as well as the result of the actual site visit. Based on the totality of these materials and experience, COA assessors make a determination of the outcome for each organization.

Organizational Characteristics

For the question regarding factors that may influence organizational capacity prior to the COA process, eleven independent variables were selected from the organizational profile (OP) measure: (1) whether the organization was mandated to seek accreditation or whether the decision was made on a voluntary basis; whether the organization was seeking accreditation for the first time or as a repeat applicant; whether the organization had undergone a mission change; how recently the organization updated its strategic plan; the length of tenure of the governing body chair; the number of years the CEO had been in his/her position; whether the current CEO was hired from within the agency; the total revenue of the organization; whether the revenue had increased in the past two years; six aspects of computerization; and six potential organizational challenges.

Operational definitions

Organizational capacity

Senior staff within each organization completed a computer-based self-report survey of the agency's organizational capacity. The survey was created specifically for COA by (Philliber, 2004) and is now routinely used by COA in the accreditation process. There were 56[21] items on the survey, each rated on a 4-point likert scale; 1= strongly disagree (there is a need for increased capacity), 2= somewhat disagree (capacity is at a basic level), 3= somewhat agree

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[21] A discussion of the AOC elements and definitions is on Table 6, p.57-58. The complete list of items is in Appendix B. The final subset of the AOC questions that that the dependent variables are derived from is the subject of the next chapter, Chapter 7.

(moderate capacity), and 4= strongly agree (organization's practices reflect a high level of capacity). [22]

Of the 56 items, 8 items measured mission & goal (scale ranges from 1 to 32); 9 items measured governance and leadership (scale ranges from 1 to 36); 8 items measured financial resource management (scale ranges from 1 to 32); 7 items measured human resource management (scale ranges from 1 to 28); 4 items measured information resource management (scale ranges from 1 to 16); 3 items measured community linkages (scale ranges from 1 to 12); 3 items measured cultural competence (scale ranges from 1 to 12) and 14 items measured performance improvement and outcomes (scale ranges from 1 to 76) for a total of 56 questions. Respondents were instructed to fill in the circle in the column of each question which best described their assessment of their organization's capacity. Respondents were instructed to press "submit" once they had completed the survey.[23]

Scoring - The questions and scores for respondents completing the survey by the hyperlink were automatically "dropped" into Access and SPSS databases. For the few surveys that were downloaded and mailed, COA staff entered the information into the database. A total score on organizational capacity ranges from 56 to 224, for all 56 questions.

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[22] The questionnaire is available by hyperlink.

[23] See Appendix B – Assessment of Organizational Capacity (AOC), Instructions for completion of the AOC. Organizations are also given the option to download the survey, complete it manually, and fax or mail it. Information specialists enter surveys received via mail or by fax into the database.

Accreditation Outcomes

The operational definition of accreditation outcome is the official decision provided by COA as to how well the organization met the COA standards. There are three possible outcomes:

- An excellent outcome: Pre-Commission, including expedite or pre-Commission pending;
- A good outcome: A Commission decision, including accredit or pending;
- An insufficient outcome: A Commission deferral, or Post Commission Deferral and Technical Assistance (TA)

A report (the Pre-Commission Report) is provided to organizations based on the site visit made by the COA peer review team. The PCR includes ratings as well as recommendations (Appendix G) for those areas where substantial implementation has not been demonstrated, and is required for accreditation. The PCR is comprised of ratings of degree to which the organization met each standard, on a 4-point scale; 4 = full implementation, 3 = substantial implementation, 2= partial implementation=, and 1= implementation concerns. Ratings are based on standardized guidelines provided to the assessment team. [24]

Organizational Characteristics

Seventy-seven demographic questions were answered on a self-administrated questionnaire by organizations prior to the pre-test. Eleven questions on the OP[25] were of interest to this study, having met the criteria of a

[24] The standards rating system in the 8th edition requires purpose, core and fundamental practice standards to be rated a 1or 2, full or substantial implementation. A rating of 3 or 4 indicates unsatisfactory demonstration of standards' implementation.
[25] See Appendix I, Time¹

broad frequency distribution and being relevant for exploring associations with pre-accreditation organizational capacities.

The OP questions selected assessed: whether COA accreditation was being sought on a mandatory or voluntary basis (coded as 0= mandatory, 1= voluntary); whether the organization was seeking accreditation for the first time or seeking reaccreditation (coded as 0= first time, 1= reaccred); whether the organization had undergone a mission change (coded as 0= no change, 1= change), how recently the strategic plan had been updated (coded as 1= updated in past 12 months, 2= updated between 1-2 years ago, 3= updated 3-4 years ago, and 4= updated more than 4 years ago); the length of tenure of the chair of the governing body (code as 1= less than 1 year, 2= between 1 and 3 years, and 3= more than 3 years); the number of years the CEO had been in his/her position (coded as 1= less than one year, 2= between 1 and 2 years, 3= 3 to 4 years, 4= between 5 and 10 years, and 5= more than 10 years); whether the current CEO was hired from within the agency (coded as 0= not hired from within that agency, 1= hired from within the agency); the total revenue of the organization (coded as 1= up to 1 million, 2= between 1 and 2 million, 3= between 2 and 5 million, 4= between 5 and 10 million, 6= between 10 and 20 million, and 7= more than 20 million); whether the revenue had increased in the past two years (coded as 0= not increased, 1= increased); impact of computerization (coded as four dichotomous variables whether the organization used an electronic client database, 0= no, 1=yes; whether the agency had electronic client files, 0= no, 1=yes; whether the organization used an electronic payroll system, 0=no, 1=yes; and whether the organization used an electronic billing system, 0=no, 1=yes; and six possible organizational challenges: finances, governing body recruitment, staff recruitment/retention, qualified staff, sufficient volunteers, sufficient information management resources, and other, each coded 0= not a challenge, 1= is a challenge.

These characteristics may provide insight into an organization's developmental stage, as well as other factors that might affect the organizational capacity while commencing the accreditation process.[26]

Technical adequacy of variables

Judgment regarding the technical adequacy of an operational definition is based on the definition's feasibility, reliability and validity. The technical adequacy of organizational capacity and accreditation outcomes are discussed as follows:

Organizational Capacity

Feasibility- The measure was comprised of 56 items which were written to be easily understood by nonprofit organization administrative staff. The language was written to be user-friendly, the items were designed to be easily scored, and the respondents were deemed to be in possession of the information that was being asked for. [27] Thus, it can be concluded that the operational definition was feasible.

Reliability – Reliability of the measure was assessed via internal consistency (Cronbach's alpha). Analysis of the alpha for the survey scale in earlier research (Philliber, 2004) indicates a high level of internal consistency (a=. 96) for the total

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[26] See p. 30

[27] See Appendix F– An Analysis of the Instrument and Pilot test, Assessment of Organizational Capacity, Council on Accreditation and Philliber Research Associates.

scale. Alphas for each of the subscales were near or above the recommended level of .80.

Mission & goals, a=. 85
Governance & leadership, a=. 79
Fiscal resource management, a=. 70
Human resource management, a=. 75
Information resource management, a=. 81
Community linkages, a=. 87
Cultural competence, a=. 81
Organizational performance outcomes, a=. 95 [28]

Validity – The measure of organizational capacity was deemed to have face content validity, in that there is a strong logical connection between the conceptual definition and the operational definition. The AOC was evaluated in relation to the literature (De Vita & Fleming, 2001; Linnell, 2003 and Philliber, 2004) establishing construct validity. Additionally, content validity is supported by the factor analysis that was performed, confirming the factor structure of the scales. According to Philliber (2004), who conducted the psychometric analyses of the survey, the variance accounted for by the factors ranged from 36% to 74% and "within each subscale there is a single factor uniting different items; each subscale is measuring one thing" (Philliber, 2004, p.7).

Accreditation Outcomes

Meeting COA standards is measured by a single variable, based on the vehicle of accreditation decision, (coded as excellent, Pre- commission decision; good, Commission decision; or insufficient, Post- Commission).

This rating is deemed to be technically adequate because the accreditation standards upon which the decision is made are invariant, precisely defined in the

[28] Organizational Performance Outcomes was renamed Performance Quality Improvement and Outcomes in the final version of the AOC

training provided to the decision makers. The COA staff responsible for evaluation of the documentation and the site visits are highly qualified and work as a team in order to ensure thoroughness and accuracy of the decision. Adherence to rating guidelines and a consistent and limited number of persons managing the process reduce variability. Validity of the items on the assessment protocol is established through a rigorous measure development process undertaken in 2003.

Research Design and Methods

Practice based research (PBR), quantitative methods, and “data mining” are the critical elements in the research design for this study.

Practice Based Research (PBR)

Epstein (1998) defines PBR as “the use of research - inspired principles, designs and information gathering techniques within existing forms of practice to answer questions that emerge from practice in ways that inform practice” (p.4). This study emerged out of discussions about capacity building at the accrediting organization, COA, and about how to measure the benefits of accreditation for organizations engaged in the process. Practice wisdom, anecdotal information, customer surveys and a small pilot research study (Hazard, N., Pacinella, S., & Pietrass, J, 2002) indicated a need for more empirical research that could be conducted without compromising the accreditation process. This goal, to determine the value of accreditation to organizations, specific to capacity building, became part of the COA 2003-2007 strategic plan. Thus, practice guides the research and the research informs practice.

Concurrently, COA was engaged in a vigorous redesign process to strengthen its own outcomes orientation and increase relevance of the standards. An overarching theory of change that guided the philosophy of accreditation was inductively developed, known as: COA Accreditation: Building Organizational Capacity to Improve Performance and Achieve Positive Outcomes (Logic Model Version 5, March 2006). Attention to organizations' developmental stage and accreditation readiness became key ideas in the development and the piloting of the instrument (AOC survey) and its subsequent use as the assessment for organizational readiness, and as a measure of accreditation as capacity building. The instrument was developed consistent with the principles of PBR, i.e., to be congruent with practice needs without sacrificing sound research design principles (Epstein, 1998).

Quantitative Methods

In describing the PBR strategies, Epstein (1998) indicates that the studies can be quantitative, qualitative or both. "Quantitative studies describe variables and their relationships, predict and compare outcomes, analyze the components of an intervention…" (Grinnell, 1997, p.104). This study uses quantitative methods, seeks to address research questions, and to increase understanding of the variables, and their relationship to each other.

Data mining

Data mining takes appropriate advantage of the rich information that is collected and available in organizations for the purpose of service delivery and program evaluation (Epstein, 2001). Typically, data mining studies focus retrospectively on the depth of clinical, psychosocial information that abounds in case records. In this study, the unit of analysis or “client” is the organization. Instead of a case record, the source of information is the organization’s file, which includes the organization’s profile. This study will use existing, descriptive, demographic information provided by organizations in their profile (OP), which is designed to assist the accreditation provider in understanding the organization’s culture, structure, developmental stage and unique characteristics.[29] The pre-test AOC is also completed as a means of assessing an organization’s readiness and needs. Organizations were not asked to provide any additional information other than that which is already used and integrated into the routine accreditation process. Unlike most retrospective clinical data-mining studies, this is a prospective study.

At the start of this study all of the OP and pre-test AOC existed. The post-test was completed six months to thirteen months after the pre-test, depending on the length of time the organization took to complete their site visit. The post-tests continue to be completed weekly, after organizations conclude their site visit. This study began in December of 2005; data collection ended in November of 2007.

Pre/ post- test design

Organizations’ leadership staff completes a pretest, the assessment of organizational capacity (AOC) prior to beginning the accreditation process. The existing pre-test survey establishes a baseline of the organization’s assessment of its pre-accreditation capacity. The survey instrument, an assessment of

[29] See Appendix A-The Organizational Profile

organizational capacity (AOC),[29] was re-administered as a post-test once the organization completed critical milestones within the accreditation process (the self study, site visit), but prior to the accreditation decision.

The post-test was used to determine the organization's assessment of the change, if any, in the organization's capacity, after the implementation of accreditation standards and processes. Completing the post-test prior to the accreditation recommendations and decision was designed to reduce the influence of the final accreditation recommendation and decision as an intervening or contaminating factor. Smith (1990) describes the benefits of the pre-post test design:

> We can compare changes in knowledge, attitude, behavior, and skill from the time before the program to the time right after the program (p.73).

Likewise, Rapp and Poertner (1988) consider the "pre-test/post-test as one of the best outcomes assessment technologies" (p.30).

As stated previously, the AOC, as a pre-test, provides a baseline for the organization's capacity prior to undertaking COA accreditation. The post- test, on the other hand, allows for the measure of the assessment of change in organizational capacity following implementation of the standards. Each of these tools is a routine part of the accreditation process. The design of the study allows for an assessment of the organizational capacity both before and after the accreditation milestones.

The research plan, (see Table 6.1), provides a visual representation of the central research hypothesis, the research design and the data collection plan.

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[29] See Appendix B, the Assessment of Organizational Capacity

Table 6.1 – The Research Plan

Design and Methodology				
Hypothesis: Organizations engaged in→ COA Accreditation process milestones + COA Administrative & Management Standards have an ↑ in Organizational Capacity.				
Variables	Tool/ Instrument	Outcome Measures/ Indicators	Completed by	Completed when
Measures of Organizational capacity – Dependent variables	Assessment of Organizational Capacity (AOC) A four-page survey.56 questions that cover the eight elements of organizational capacity. 1.Mission & goal; 2.Governance & leadership; 3.Financial management; 4.Human resource management; 5. Information resource management; 6.Community linkage; 7. Cultural competence; 8.Performance quality Improvement. Index of Organizational Capacity	Five point likert scale. Changes in capacity will be measured by pre-and posttest results, and compared to PCR results. Select questions at the end of the AOC address potentially intervening variables.	The organization Management	Pre-test Completed during intake/assessment Post test Completed after the site visit
Implementation of Accreditation Standards – Independent variable	Pre- Commission Review (PCR)[30] Indicates whether the organization has demonstrated implementation of the standards, and to what degree.	Based on the ratings from the peer review team. A four point likert scale.	COA management	Completed after the site visit. Independent of the AOC post-test.
Organizational Profile- addresses pre-existing conditions, demographic information and unique organizational characteristics. This questionnaire, completed by the organization				

[30] See Appendix G, Pre Commission Review Report.

before intake/assessment.
Data availability- The OP, AOC and PCR are tools that are already integrated into the accreditation process.

Key study features: Quantitative, PBR, Prospective, Data mining.

Target population: Organizations entering the accreditation or reaccredidation process.

Unit of analysis- organizations (seeking accreditation/ reaccreditation).

Quantitative study - Statistical applications (t-tests, ANOVA, Chi-square) will be used to test the study questions.

Target Population and Sample

The target population for this study is the nonprofit human and social service organizations seeking accreditation or reaccreditation with the Council on Accreditation (COA). Typically, two hundred and fifty to three hundred and fifty eligible[31] organizations are engaged with the accreditation process annually. All eligible organizations seeking accreditation during the 2006 calendar year is three hundred and eighteen organizations; however, those that completed an organizational profile (n=265) are the sample for this study. The target population represents a diverse cohort of nonprofit human and social service organizations, pursuing accreditation.

The sample for the research is 265 organizations engaged in accreditation from December 2005 through February 2007 that have completed the organizational profile (including the demographic variables) and a pre-test.

It was anticipated that the full cohort of organizations completing the pre-test would not complete the post-test during the time frame of the study because accreditation timelines vary. However, the study includes all organizations

[31] Organizations deemed not eligible for this study are public agencies, organizations using specialized single service standards, or an atypical accreditation cycle.

completing the post-test through such time as data collection ceased and data analysis commenced (Nov.2007).

The research environment

This research study was conducted under the auspices of the Council on Accreditation (COA), which accredits[32] approximately 1600 organizations in the United States and Canada that provide child and family services, residential services, behavioral healthcare, and adult and community services. COA accreditation is a standards - based process that assists organizations seeking to increase their organizational capacity (Klarberg, 2005). The COA Value and Process Map (Appendix H), presents the accreditation service delivery milestone processes, and COA quality values for accreditation and customer service.

Data Collection

Data mining studies rely on existing information available in program and case records (Epstein, 2001). There are three tools used for data collection in this study, as described under the operational definitions earlier in this chapter. They are the Assessment of Organizational Capacity (AOC), the Pre-Commission Report (PCR), and Organizational Profile (OP),

The Assessment of Organizational Capacity Survey and its Development

As noted on the methodology table, the primary survey instrument for the study is the assessment of organizational capacity (AOC). The AOC is a routinely

[32] The accreditation cycle is four years; during the intervening years an organization demonstrates that it maintains its accreditation by the Maintenance of Accreditation (MOA), which provides the organization with the means to demonstrate its continued implementation of the standards and its use of CQI for ongoing organizational improvement.

administered four-page, organizational survey developed for COA by Philliber (2004) containing fifty-six questions that assess the eight elements of organizational capacity.[33]

Nineteen questions at the end of the survey address variables that might influence the impact of the COA accreditation process on organizational capacity. Questions 57-67 ask the respondent about resources used during recent efforts to improve performance, efficiency or effectiveness. COA standards and processes are included on the list. Questions 68-74 ask the respondent to identify the importance of seven items in the effort to improve management or programmatic performance. The seven items are board leadership, adequate time, adequate funding, effective consultation, staff commitment, community support, and externally imposed challenges. The last question seeks to identify the respondent’s title or position in the organization. As indicated in the literature review, and earlier in the discussion of research methods, the AOC survey was developed specifically for COA. Part of the development process involved an analysis of the psychometric properties of the survey.

Pilot test of the AOC Survey by Philliber, (2004)

A study was conducted by Philliber (2004) in order to determine whether the AOC survey instrument had sufficient reliability and validity to warrant its use. To assess validity, a small-scale quasi-experimental design was used in which scores on the AOC were compared for organizations engaged in the accreditation process and organizations not engaged in the accreditation process. It was predicted that the organizations engaged in the accreditation

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[33] The AOC is discussed in the literature review and in the operational definition discussion. See Appendix B for the survey in its entirety.

process would score higher than the organizations not engaged in the process. Response rates for the two groups differed. The rate was 64% for those involved in the process and 31% for those not involved in the process, representing a limitation of these data.

Of interest for the validity assessment was average capacity ratings for the two groups. Out of a possible rating of 4.00, organizations with an accreditation relationship with COA, scored higher in average capacity (3.74) than their counterparts who have not engaged in COA accreditation, which had an average capacity of 3.52.

Even with the limitations of the pilot test sample size and response rate, these data can be used to assess reliability and validity of the measure. Co-variation addresses whether the variables in the measure "go together" or co-vary. At face value it appears to be so; the elements of capacity building are consistent with the COA administration and management standards as noted on Table 3 and in Appendix D– A Comparison and Crosswalk between the 8th Edition Standards and the AOC.

Temporal priority refers to the data being collected in such a way as to allow for inferences about processes over time. Because the survey was administered as a pre-test and post- test, with the COA process occurring in the interim, the design allows for an analysis of organizational capacity both before and after seeking COA accreditation.

The measure was assessed with regard to internal consistency. Philliber (2004) concluded that, "Tests for internal consistency support the validity and reliability of the total instrument and each of the eight subscales"[34]

Philliber (2004) summarizes the testing of the assessment instrument as follows:

> Reliability of the total scale was .96 and reliability of both the total instrument and each of the eight subscales. This indicates the respondents interpreted each item in a coherent manner and all items are targeting the same construct.
>
> Within each subscale, factor analysis revealed a single strong factor. Variances explained by these factors varied from 35% to 74%. This indicates that within each subscale, there is a single factor uniting the different items…each subscale (element) is measuring one thing
>
> Correlations between subscales varied from .35 to .77.

The changes made to the survey after the pilot test included:

- Changing the survey instrument name from the organizational assessment of capacity (OAC) to the assessment of organizational capacity (AOC). This change was grammatical and related to a preference for the AOC versus OAC acronym.
- Changing the questions from third person to first person (i.e. The organization... to Our organization...). This change was made so the respondent reading the question would "hear" the question in his/her own voice.
- Renaming Continuous Quality Improvement (CQI) to Performance Quality Improvement (PQI), to reflect the field's emphasis on an outcomes orientation.
- Grammatical errors were also corrected.

[34] See Appendix F for a discussion of the AOC development and analysis, including scale reliability, scale validity, strengths, and limitations of the pilot study. See footnote 6 in this study.

The Pre-Commission Report (PCR)

The next of the three data collecting tools is the Pre-Commission Report (PCR). Developed by COA professional staff, the PCR is based on the ratings of each standard provided by the peer review team. The report lists the standards that are rated out of implementation and provides recommendations for correction. This report is created after the site visit and determines the vehicle for accreditation. COA protocols have been developed to ensure consistency across PCR reports. (See Accreditation outcomes, p. 94, 98).

The Organizational Profile

The Organizational Profile, as previously described, is the data collection tool which addresses a variety of organizational characteristics and the developmental scope of the organization. This 77-question instrument (See p. 94, and Appendix A) is completed at the onset of the accreditation process.

Method of data collection

The selected organizations received a letter of introduction from COA intake assessment staff[35], which contains the links and instructions for completing and submitting the OP and the pretest AOC electronically. The respondent completed the survey electronically. Data were automatically entered into the access database and SPSS. If the organization preferred to download and manually complete the OP and AOC, COA information specialists were able to enter the data into the appropriate database. The post-test or second AOC was collected in the same manner as described above. The PCR is an internally

[35] See Appendix I Letter(s) to organizations for participation in the OP, AOC and the post test

developed report based on peer ratings of the organization, and standardized recommendations to assist organizations with standards implementation.

Feasibility and Ethical Acceptability

Two criteria for determining the strength of a research study according to Grinnell (1997) are feasibility and ethical acceptability. The strengths of this study from the standpoint of feasibility are:

- Sampling - access to the sample, sample size, scope and demographic diversity;
- Relative ease of completing the AOC survey;
- Data collection was built into a pre-existing process;
- Comparative post test data;
- Investment for organization where the research is situated.

Ethical acceptability is determined through establishing procedures for protecting the rights of the human subjects involved in the study. All necessary ethical guidelines were met and all relevant organizational review bodies approved the study (Appendix J, COA letter of approval for research and Appendix K, University IRB approval).

Limitations of the Study

Limitations of this study include: possible changes in the respondent from pre-and post-test, respondent error, and contaminating or intervening variables. Greenstein (2001) discusses possible limitations of quantitative studies that utilize a survey methodology, such as the one used in this study. A possible limitation is that the person completing the survey could change from the pre-test to the post-test. Thus, changes in the data could be attributable to change in respondent rather than real change in the organization. To address this issue, the AOC included information about who was completing the survey in order to track whether there was in fact a change.

Many types of response errors could be introduced into a survey study. For example, Greenstein (2001) describes desirability as a type of error introduced by the respondents. “Some respondents feel the need to make a good impression, to present a favorable image to others. Such respondents may give what they believe to be the correct or socially acceptable responses to questions” (pp. 89-89). This was minimized to some degree by establishing trust with the respondents in order to create an environment of partnership. Additionally, the assessment was framed as a means of providing assistance to the organizations prior to the site visit, to better enable the organizations to have a positive accreditation experience. Because the survey was embedded in a high stakes event for the organizations (accreditation), it is even more likely that the respondent might avoid overly critical self-revelations. However, because the organizations were also aware of the fact that a site visit was imminent in which the truth would be revealed, the respondents might have been inclined to be honest in their self-assessments, thereby gaining assistance proactively.

Intervening variables can also function as a methodological limitation in that they might account for changes between the pre and post-test that are not actually attributable to the independent variable, in this case COA accreditation. In this study, potentially intervening variables were assessed on the survey instrument (questions 57 through 67 on the AOC.) These questions sought to determine what relationships or resources outside of accreditation may have served to aid an organization in expanding its capacity.

Data management and storage

The data was directly imported into an Access database and SPSS file. The Access database was dedicated only for organizational profile (OP) and the assessment of organizational capacity (AOC). It was not in a shared drive; availability was limited to designated staff that had the responsibility to use the data to assist organizations; analyze the data or assist with the logistics (i.e. technology support) to manage and storage of the data. The Pre-Commission Report (PCR) was stored in an electronic case record system with appropriate security access. Ancillary reports and information used in the post-test phase (i.e. satisfaction survey aggregate information, organization information) were stored in protected electronic data base systems consistent with the privacy and access standards used at the Council on Accreditation.

Data Analysis

The data analysis is organized by the data available from Time ^{1} the pre-test, and Time ^{2}, the post- test. Time^1 consists of the data available when organizations begin the accreditation process. This data is mined from the first assessment of organizational capacity survey (AOC), which is the pre-test, and the organizational profile (OP). Time^2 consists of data available from the second AOC, which is the post-test, and organizations' data records of accreditation outcomes (i.e., the Pre-Commission report—PCR).

Table 6.2 illustrates the data analysis plan for Time^1. The first column indicates the subsequent chapters where the data analysis can be located in this study. The variables, source, purpose, and statistical measures to be utilized in the analysis heads the columns. The purpose presented for each area of study supports exploration of the research questions.

Table 6.2 – Data Analysis Plan: Time ^{1} Pre-test Data

	Variables	Source	Purpose	Statistical Measures
Chapter 7	Dependent variables	Pre-test Assessment of Organizational Capacity (AOC)	To describe a baseline for organizations' capacity and identify which elements of capacity are relevant to study.	Descriptive- Frequency Distribution
Chapter 8	Organizational characteristics (i.e. demographic characteristics organizational, such as revenue, CEO tenure) and dependent variables	Organizational Profile (OP Pre-test AOC	To explain the association between organizational characteristics and the dependent variables; To determine characteristics of interest in relation to developmental groupings.	Descriptive- Frequency Distribution Inferential- Bivariate analysis: t-test; ANOVA; Chi Square.

Table 6.2 identifies the dependent variables and the criteria for their selection, which is the focus of chapter 7. The pre-test survey, the AOC, is the source for identifying the dependent variables. The statistical analysis used at Time ^{1} is descriptive, specifically, frequency distribution. According to Greenstein (2001), descriptive statistics summarize numerical distribution and provide the mean and standard deviation (level of variability/variance) for quasi-interval characteristics. As indicated on Table 6.2, chapter 8 will present the organizational characteristics that are also available at the Time^1- pre-test stage. The

organizational characteristics, “mined” from the organizational profile, serve to describe the sample and determine the organizational characteristics that add to the study’s exploration of developmental factors. Frequency distribution is the statistical measure of choice for demographic information that is categorical in nature.

The last area of analysis of pre-test data is the association between the organizational characteristics and the dependent variables at Time [1]. Inferential statistical measures are appropriate for this analysis as it makes estimates or inferences about the population based on probability or statistical significance (Greenstein, 2001). The analyses conducted are: tests of probability, and bivariate analysis, t-tests, ANOVA and Chi-Square.

- Tests of probability are employed to rule out chance as the reason for association between variables. To determine a statistically significant relationship between two variables, the benchmark is $p<.05$ (Grinnell, 1997). Findings can be noteworthy (i.e. $p<.06$) without being statistically significant.
- Bivariate analysis assesses the relationship between the dependent variable and independent variable.
- Tests to compare means is the t-test for independent samples which compare the means for two groups, and paired sample t-test compares the means of two variables for a single group.
- ANOVA is an analysis of variance for a quantitative dependent variable by a single factor (Greenstein, 2001; Grinnell, 1997).

- Chi-square is the test to report statistical significance for measures of association at the nominal or ordinal level (Grinnell, 1997).

Table 6.3 presents the data analysis plan for Time ², the post-test data. The variables, source, purpose, and statistical measures to be utilized in the analysis heads the columns.

Table 6.3 – Data Analysis Plan: Time ² - Post-test data

	Variables	Source	Purpose	Statistical Measures
Chapter 9	Dependent variables, after the intervention (of the independent variable)	AOC	Compare pre & post- test change. What are organizations' assessments of organizational capacity before and after the accreditation processes?	Bivariate analysis
Chapter 10	Dependent and independent variables	Post –test AOC results and Pre-Commission Review Report (PCR)	Compare organizations' post- test *assessmen*t of change in capacity with accreditation *outcomes.*	Cross Tabulation

As described in Table 6.3, Chapter 9 provides analysis for a key aspect of this study. An analysis of pre and post- test results will determine whether organizations assess a change in capacity after the introduction of the independent variable (accreditation). Bivariate measures are used to analyze the data.

Chapter 10 compares organizations' post- test assessment of change in capacity with accreditation outcomes. Cross tabulation is used, since it is a means to present data about two categorical variables, making their relationship more overt (Vogt, 1999). This will provide data as to whether the organizations' assessment is congruent with their accreditation outcomes.

Human Subjects Protection

As noted above, the final criterion discussed by Grinnell (1997) for strength of a study is ethical acceptability. This study has been reviewed by the CUNY Graduate School and University Center Institutional Review Board (IRB) and approved as an exempt study (Appendix J). Because this is a data mining study, participant surveys and other information is available in the organizations' record. No interviews or face- to- face contact with organizational staff members will occur. The study of human and social service organizations does not pose the same ethical issues as studying vulnerable populations, such as children, victims of war, trauma or abuse. However, organizations seeking accreditation must be assured that information sought to assist them, is not utilized in ways that cause harm, or unwarranted exposure to the organizations. To that end, confidentiality of the participating organizations was assured through use of a master ID coding system. Each organization was assigned a number. All data entered into the database used this number and not the name of the organization. Aggregate information, data analysis and publication of results will not identify any organization specifically by name or number. The data collected and used for this study are part of a normative accreditation activity. The post-test occurs after the site visit but before the accreditation decision is rendered. Respondents were asked to participate in the post-test, and were assured that participation would have no bearing or connection to the accreditation decision for the organization. See the Letter of Support from the Council of Accreditation (Appendix J).

Summary

This research design is a quantitative, data mining study that uses data available and provided by organizations seeking accreditation. There is a rich set of variables that offer possibilities for exploration, such as: differences of organizational capacity needs and gains between newly accredited and reaccredited organizations; elements of capacity that most often appear to be challenging to organizations; whether the value of accreditation as a means of increasing organizational capacity is broad-based.

The research plan is appropriate, feasible and logical for this study. The methods, particularly, the assessment of organizational capacity survey instrument and the pre-post test administration, provide a realistic opportunity to address the questions posed by this study. The rationale and appropriateness of this design and methods are based on the goodness of fit between the research questions.

Chapter Seven

Outcome Measures: Organizational Capacity

This chapter will provide the criteria used to select and organize the dependent variables. A description of the dependent variables and a discussion of their relationship to the literature are presented.

Criteria for Selection of the Dependent Variables

Eight elements are included in the model of organizational capacity used in this study: Mission and Goal, Leadership and Governance, Financial Resource Management, Information & Technology Management, Performance/Continuous Quality Improvement, Human Resources, Community Linkages and Cultural Competence (McKinsey, 2001; De Vita & Fleming, 2001; and Fate & Hoskins, 2001; Light, 2002 & 2004; Connolly & York, 2003; Philliber, 2004).

The AOC survey has 56 items designed to measure these 8 elements. In order to be included in the analyses, items were selected if at least 10% of the ratings were scored either 1 or 2, indicating sufficient variability in the responses. A score of 1 or 2 indicates that the organization assesses its capacity as requiring greater development.

Analysis of the frequency distributions of the 56 variables revealed that nineteen (19) of the fifty- six (56) questions on the AOC survey met the criteria and were thus included in the analyses. For the included items, the ratings were recoded, collapsing the scores for strongly or somewhat disagree. It is important to note that when the AOC was piloted for COA, it was assessed in a sample of organizations that had already met accreditation criteria, as opposed to the organizations in this current study that were in the process of seeking accreditation. This most likely accounts for the difference in responses such that only 19 variables had sufficient variability in this study, compared to all 56 variables having adequate variability in Philliber's (2005) study.

The willingness of organizations to self-report on the 19 areas of weakness to an accrediting body is considered to be evidence of the validity of these items on the survey instrument. Thus, there was a reduction in the variables from 56 to 19, the scale creation plan was modified as described below, and summarized on Table 7.1- The selected dependent variables, (SOCE), the indices, frequency distributions, standard deviation (SD) and reliability at Time ^{1} and Time^2.

Indices: Clustering the dependent variables

Of the 8 variables originally in the Mission and Goals scale, one had sufficient variation to be included in the study: Our organization has clearly measurable goals/objectives/outcomes in a written strategic/long term plan. Thus, this scale was deemed to have a single variable, with a score ranging 1 to 4. All nine Governance and Leadership variables had insufficient variation to be included in the analyses.

Three of the eight Financial and Resource Management variables had sufficient variation to be included: (1) Our organization has developed contingency plans for responding to potential changes in funding, (2) Our organization has developed a multi-year revenue strategy that addresses sources of funding and identifies areas where revenues and expenses may not be balanced, and (3) Our fundraising program has the staff and resources needed to meet funding goals. This scale ranged from 3 to 12.

None of the seven items on the Human Resource scale had sufficient variation to be included.

The scale Information and Technology Management, which originally had four items, had three with sufficient variability to be included in the analyses: (1) We have sufficient information management resources to support the collecting, analyzing and sharing of information across our organization, (2) Our organization has invested in technology/automated systems and staff that support our information management resource goals, and (3) Information resource management supports quality service delivery at our organization. This scale ranged from 3 to 12.

None of the three Community Linkages items had sufficient variability to be included in the analyses. One of the three Cultural Competence variables had sufficient variation to be included: Our organization actively seeks involvement and feedback from community stakeholders with diverse perspectives. Thus, this scale ranged from 1 to 4.

Eleven of the 14 Performance Quality Improvement variables had sufficient variation to be included: (1) Our organization has agreed upon the measures used in assessing progress toward achieving outcomes, (2) Data collection instruments and procedures are in place, (3) Our organization has sufficient measures and tracks progress toward outcomes, (4) Our organization regularly assesses program effectiveness by reviewing outcome data, (5) Our organization actively assesses programs effectiveness based upon actual performance data/information and established benchmarks, (6) Our organization assesses current performance on outcomes against established benchmark/targets, (7) We have an organizational wide continuous quality improvement program, (8) Performance information is reported at established time frames to the board and management staff, (9) Managers and staff regularly use performance data/information to identify opportunities for program/service delivery improvements and improve the quality of their work with clients, (10) Performance data/information is used to identify effective practices and interventions within our organization, and (11) Evidence-based practices are continually studied and applied to improve programs/services. This scale ranged from 11 to 44. Table 7.1, provides a summary of the selected dependent variables, (SOCE), the indices, frequency distributions, standard deviation (SD) and reliability at Time [1] and Time[2].

Table 7.1 - Dependent Variables: Indices, Frequency Distributions, Standard Deviation (SD) and Reliability at Time [1] and Time[2]

							Reliability	
Index	**Dependent Variables**	**Strongly disagrees/ Some-what disagrees**	**Somewhat agrees**	**Strongly agrees**	**Mean Score**	**SD**	**Pre-Test**	**Post Test**
Mission & Goals- MG (Stand-alone variable, single item)	1. Our organization has clearly measurable goals/objectives/outcomes in a written strategic/long term plan.	10.5%	37.1%	52.4%	2.46	.65		
Financial Resource Management Index	2. Our organization has developed contingency plans for responding to potential changes in funding.	12.4%	50.2%	37.5%	2.26	.66		
	3. Our organization has developed a multi-year revenue strategy that addresses sources of funding and identifies areas where revenues	17.8%	46.9%	35.3%	2.20	.70		

	and expenses may not be balanced. 4. Our fundraising program has the staff and resources needed to meet funding goals.	19.9%	35.8%	44.3%	2.27	.74		
Financial Resource Management Index	Variables 2, 3 & 4				6.73	1.66	.68	.61
Information & Technology Management Index	5. We have sufficient information management resources to support the collecting, analyzing and sharing of information across our organization.	17.6%	39.6%	42.8%	2.24	.74		
	6. Our organization has invested in technology/automated systems and staff that support our information management resource goals.	9.6%	34.5%	55.9%	2.46	.67		
	7. Information resource management supports quality service delivery at our organization.	11.9%	32.7%	55.4%	2.43	.70		
Information & Technology Management Index	Variables 5, 6, & 7				7.13	1.86	.86	.82
Cultural Competence-CC (Stand alone variable, single item)	8. Our organization actively seeks involvement and feedback from community stakeholders with diverse perspectives.	9.6%	36.5%	53.8%	2.46	.64		
Performance Quality Improvement Index	9. Our organization has agreed upon the measures used in assessing progress toward achieving outcomes.	9.6%	34.6%	55.8%	2.46	.64		
	10. Data collection instruments and	11.2%	31.3.8%	57.5%	2.45	.69		

	procedures are in place.							
	11. Our organization has sufficient measure and track progress toward outcomes.	14.4%	39.0%	46.6%	2.30	.72		
	12. Our organization regularly assesses program effectiveness by reviewing outcome data.	12.8%	35.9%	51.3%	2.37	.69		
	13. Our organization actively assesses programs effectiveness based upon actual performance data/information and established benchmarks	14.4%	39.4%	46.2%	2.31	.70		
	14. Our organization assesses current performance on outcomes against established benchmark/targets	15.2%	41.4%	44.2%	2.28	.70		
	15. We have an organizational wide continuous quality improvement program.	13.1%	19.4%	67.5%	2.55	.69		
	16. Performance information is reported at established time frames to the board and management staff.	9.5%	27.9%	62.5%	2.54	.63		
	17. Managers and staff regularly use performance data/information to identify opportunities for program/service delivery improvements and improve the quality of their work with clients.	13.0%	41.1%	45.9%	2.33	.69		
	18. Performance data/information is used to identify effective practices and interventions within	15.0%	41.4%	43.6%	2.28	.70		

	our organization							
	19. Evidence-based practices are continually studied and applied to improve programs/services.	14.3%	44.8%	40.9%	2.26	.68		
Performance Quality Improvement Index	Variables numbered 9 through 19.				26.1	6.1	.94	.91
Composite Index	The two stand-alone variables (Mission and Cultural Competence) and the three indices (Financial Resource Management Index, Information & Technology Index and Performance Quality Improvement Index).				45.2	8.9	.94	.91

As can be seen in Table 7.1, data were available for 5 of the 8 identified elements of organizational capacity: (1) Mission and Goals with a single item, (2) Financial management scale with 3 items (alpha pre-test = .68 and post-test = .61), (3) Information Resource Management with 3 items (alpha pre-test = .86 post-test = .82), (4) cultural competence single item, (5) and Performance Quality Improvement scale with 11 items (alpha pre-test = .94 and post-test = .91).

In addition to these 5 scales/variables, a composite score was created by summing the variables across all five elements (total score ranges from 19 to 76, alpha pre-test = .94 and post-test = .91). These six dependent variables will be referred to as *selected organizational capacity elements* (SOCE).

Dependent variables: the relationship to the literature and practice

Mission, economic stability and sustainability (Salmon, 1994; Oster, 1995; Frumkin, 2002; Miller, 2005), information technology (Blau, 2001), program evaluation (Grasso and Epstein, 1988), and effectiveness and accountability (Patti, 1988; Reid; 1988) are identified in the literature as critical organizational challenges to the nonprofit sector.

The above table is examined in relation to one of the research questions of this study: What is the self-assessed organizational capacity of organizations at the onset of seeking COA accreditation. As can be seen in Table 7.1, only a small portion responded “somewhat disagrees” or “strongly disagrees” with any of the items. Specifically, 10.5% for the Mission item (our organization has clearly measurable goals/objectives/outcomes in the strategic/long-term plan); 12.4% for the first Financial Resource Management item (our organization has developed contingency plans for responding to potential challenges in funding); 17.8% for the second Finance item (Our organization has developed a multi-year revenue strategy that addresses sources of funding and identifies areas where revenues may not be balanced); 19.9% for the third Finance item (our fundraising program has the staff and resources needed to meet funding goals); 17.6% for the first Information & Technology Management Index (we have sufficient information management resources to support the collection, analyzing, and sharing of information across the organization); 9.6% for the second Information item (our organization has invested in technology/automated systems and staff that support our information management resource goals); 11.9% for the third Information item (information resource management supports quality service delivery at our organization); 9.6% for the Cultural Competence item (our organization seeks involvement and feedback from community stakeholders with diverse perspectives); 9.6% for the first Performance Quality Improvement item (our organization has agreed upon the measures used in assessing progress toward achieving outcomes); 11.2% in the second Performance item (data collection instruments and procedures are in place); 14.4% for the third Performance item (our organization has sufficient measure and track progress toward outcomes); 12.8% for the fourth Performance item (our organization regularly assesses program effectiveness by reviewing outcome data); 14.4% for the fifth Performance item (our organization actively assesses programs effectiveness based upon actual performance data/information and established benchmarks); 15.2% for the sixth Performance item (our organization assesses current performance on outcomes against established benchmark/targets); 13.1% for the seventh performance item (we have an organizational wide continuous quality improvement program); 9.5% for the eighth performance item (performance information is reported at established time frames to the board and management staff); 13.0% for the ninth performance item (managers and staff regularly use performance data/information to identify opportunities for program/service delivery improvements and improve the quality of their work with clients); 15.0% for the tenth Performance item (performance data/information is used to identify effective practices and interventions within our organization) and 14.3% for the eleventh performance item (evidence-based practices are continually studied and applied to improve programs/services).

The items indicating the greatest concern were two of the finance items (having a multi-year revenue strategy, the funding program having necessary staff and resources) and one of the information items (having sufficient resources to support data collection, analysis and sharing).

It can be generalized that a high level of self-assessed capacity prior to accreditation exists in organizations, given that only 19 of 56 areas are identified as needing increased capacity. This does not diminish the willingness of organizations to self-report any areas of weakness to an accrediting body; in fact, it strengthens the importance of the selected items.

Chapter Eight

Organizational Characteristics and Capacity Building

The pre-test data derived from the OP measure and the AOC survey can be used to describe and better understand the organizations prior to seeking COA accreditation. In addition, associations between organizational characteristics (OP) and organizational capacity (AOC) can be examined to shed light on the nature of variation in capacity at this crucial juncture in the developmental of an organization.

Source of the organizational characteristics

The "organizational profile" (OP)[36] section of the accreditation application contains seventy-seven (77) questions in the areas of: accreditation history, environment, governance, leadership, workforce, finance, information & technology management, programs, services & field(s) of practice and the client population. The responses to these questions reflect aspects of the organization's culture, infrastructure and the context within which the organization exists.

Eleven (11) questions from the organizational profile represent organizational characteristics of sufficient theoretical interest and variation to drive further empirical exploration. The criteria include:

[36] Organizational Profile, Appendix A

- ❖ Characteristics that relate to specific dependent variables and provide clarifying information about the organization's capacity;
- ❖ Characteristics that address developmental stages of the organization;
- ❖ Characteristics that directly address one of the primary research questions;

Table 8.1 lists the eleven selected organizational characteristics, the statistical test employed to analyze the association between the organizational characteristics and dependent variables, and the associations.

Table 8.1 - Organizational Characteristics

Organizational Characteristics		
Organizational Characteristics	Statistical Test	Associations Found
1. Organizations that are mandated to be accredited or are seeking accreditation voluntarily.	t-test	None
2. First time (new) and organizations seeking reaccreditation	t-test	Performance Quality Improvement Index, Financial Resource Index, Information Management Index, and Composite Index
3. Mission change	t-test	None
4. Strategic Plan Updated	Chi-Square	Mission Item
5. Length of stay of the Governing Body Chair	ANOVA	None
6. Number of years CEO in position	ANOVA	Mission item
7. CEO as prior staff	t-test	None
8. Organization's total revenue	ANOVA	Financial Resource Index and Mission item.
9. Has the organization's revenue increased over the last 2 years	t-test	None
10. Impact of Computerization		
10 a. Electronic client records/ client database	t-test	Client records – Information Management Index Client data base-Composite
10 b. Electronic payroll	t-test	Composite Index
10 c. Electronic billing	t-test	Financial Resource Index
11. Organizational challenges:		
11 a. Finance	t-test	Financial Resource Index
11b. Staff recruitment & retention	t-test	None
11 c. Sufficient information and management	t-test	Composite Index

Seven organizational characteristics in Table 8.1 are at the ordinal level of measurement and dichotomous; the method of analysis is the t-test. These areas are:

- Mandated or voluntarily seeking accreditation
- Seeking accreditation for the first time (New) or seeking reaccreditation
- Change in mission
- CEO as prior staff
- An increase in the organization's revenue over the last 2 years
- Electronic/ computerized systems in: client records, payroll & billing
- Organizational challenges in information technology, staff recruitment & retention and finance

Table 8.1 identifies four organizational characteristics that are at an interval level of measurement and appropriate for ANOVA or Chi-square.

- Governing Body Chair length of stay
- Revisiting the Strategic Plan
- The number of years the CEO is in the position
- Organization's total revenue

Analysis and Findings[37] - Organizational characteristics: frequency and analysis with the dependent variables, selected organizational capacity elements (SOCE)

The association between the eleven organizational characteristics and the dependent variables are described. The frequency, analysis and findings are presented.

[37] The data analyses and summary of findings were developed in conjunction with Dawn Apgar, PhD, who served as a consultant to COA.

1. **Is there an association between organizations mandated vs. those voluntarily seeking COA accreditation, and the 6 selected organizational capacity elements (SOCE)[38]?**

Forty-three percent (43%) of the sample was seeking accreditation in response to a mandate or state requirement, whereas fifty-seven percent (57%) was seeking accreditation voluntarily. Organizations mandated for accreditation can be established organizations offering a new or existing service; or newly formed organizations seeking governmental funds. The question of interest was, regardless of developmental stage, (newly formed or established organization), whether being required to seek accreditation was associated with the organizations' assessment of its impact on capacity. To answer this question a t-test was conducted between the independent variable of seeking accreditation (voluntarily seeking n=151 and being mandated to seek n=114) and the 6 variables assessed with the AOC at Time [1]. None of the results from these tests were statistically significant.

2. **Is there an association between first-time organizations and those seeking reaccreditation and the 6 selected organizational capacity elements (SOCE)?**

Seventy two percent (72%) of respondents indicate that they are seeking reaccreditation whereas twenty eight percent (28%) are seeking accreditation for the first time. Differences in assessment of organizational capacity may emerge between organizations new to accreditation and those seeking reaccreditation. Organizations that are new to accreditation can also be developmentally young, and are building early stage infrastructure and capacities concurrent with being engaged in the accreditation process (Light, 2004; Simon, 2001; Hasenfeld &

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[38] As indicated in Chapter 7, SOCE, selected organizational capacity elements, refers to the 6 dependent variables: the two stand-alone variables (Mission/Goal, Cultural Sensitivity) and the three indices, Financial Resource Management, Information & Technology, Performance Quality Improvement and the Composite Index, the sum of the five.

Schmid, 1989). However, “new to accreditation” does not necessarily mean “developmentally new”. Established organizations that are new to accreditation can look to the standards as a way to validate their organization’s structure and processes. Organizations seeking accreditation for the first time, whether newly formed or solidly established, unfamiliar with standards for implementation, may approach accreditation with greater trepidation and/or readiness concerns. Alternatively, they can embrace the assessment of capacity process as an opportunity for growth and development. How these organizations navigate the accreditation process can be a factor in their accreditation experience.

A question of interest then is, whether seeking accreditation for the first time as compared to a reaccreditation was associated with the organizations’ initial assessment of capacity. To answer this question a t-test was conducted between the independent variable of seeking accreditation (first time n =67 and reaccreditation n=179) and the 6 variables assessed with the AOC at Time [1].

Results of these analyses revealed statistically significant effects for four of the six variables. The data indicates organizations that are first time seekers (Mean= 20.79, SD=6.0), reported significantly less capacity than organizations seeking reaccreditation (Mean=25.11, SD=4.8) in the Performance Quality Improvement Index, t= (99) = -5.82, p<=.001. See Figure 8.1 for further analysis.

Figure 8.1- Mean PQI Scale for First-time and Reaccreditation Seekers.

Variable		*N*	*MEAN*	*SD*
Performance Quality Improvement (PQI) Index	First Time	67	20.79	6.037
	Reaccredited	179	25.11	4.822

Sig. (2-tailed) .001

The lower mean for first time seekers indicates that these organizations report needing greater assistance in the performance quality improvement capacity elements, than for organizations seeking reaccreditation.

Figure 8.2 presents the data for the association between this independent variable (first time vs. reaccreditation) and Financial Resources scale.

Figure 8.2- Mean Financial Resources Scores for First-time and Reaccreditation Seekers.

Variable		*N*	*MEAN*	*SD*
Financial Resource Management Index	First Time	52	6.19	1.73
	Reaccredited	174	6.86	1.58

Sig. (2-tailed) .015

Organizations that are first time seekers (Mean = 6.19, SD=1.73), reported significantly less capacity than organizations seeking reaccreditation (Mean=6.86, SD=1.58) in the Financial Resource Management Index, t= (78) = -2.48, p<=.015.

Figure 8.3 presents the data for the association between this variable (first time vs. reaccreditation) and Information and Technology scale.

Figure 8.3- Mean Information & Technology Management Index Scores for First-time and Reaccreditation Seekers.

Variable		*N*	*MEAN*	*SD*
Information & Technology Management Index	First Time	69	6.61	1.93
	Reaccredited	187	7.28	1.78

Sig. (2-tailed) .018

Organizations that are first time seekers (Mean= 6.61, SD=1.93), reported significantly less capacity than organizations seeking reaccreditation (Mean=7.28, SD=1.78) in the Information and Technology Index, t= (108) = -2.41, p<=.018.

Finally, figure 8.4 presents the data for the association between this variable (first time vs. reaccreditation) and Composite scale at Time^1.

Figure 8.4- Mean Composite Index Scores for First-time and Reaccreditation Seekers.

Variable		*N*	*MEAN*	*SD*
Composite	First Time	46	39.8	9.2
Index	Reaccredited	163	46.9	8.1

Sig. (2-tailed) .000

Organizations that are first time seekers (Mean= 39.8, SD=9.2), reported less composite capacity than organizations seeking reaccreditation (Mean=46.9, SD=8.1) in the composite index t= (66) = -4.76, p<=.000.

Thus, based on the organizational characteristics available at Time^1- pre-test stage, organizations seeking accreditation for the first time assessed their capacity in three areas (performance quality improvement, financial resources, and information management) to be lower than their counterparts who were seeking reaccreditation. There were no statistically significant effects however, for mission and cultural competence.

3. Is there an association between agencies that changed their mission and those that did not on the 6 selected organizational capacity elements (SOCE)?

The mission is reported to have been changed in approximately one-quarter (24%) of the applicant organizations, whereas it remained the same in approximately three quarters (76%) of the others. A change in mission can be a subtle change in priority or a major paradigm shift in how an organization conducts service delivery. Additionally, it may indicate a developmental transformation for an organization (i.e. reinvention, Simon, 2001; elaboration of structure, Whetton & Cameron, 1983).

The question of interest here was, whether changing the mission was associated with the organizations' assessment of capacity. To answer this question a t-test was conducted between the independent variable of changing the mission (not changed n=64 and changed n=201) and all 6 items elements of the SOCE. None of the relationships tested were statistically significant.

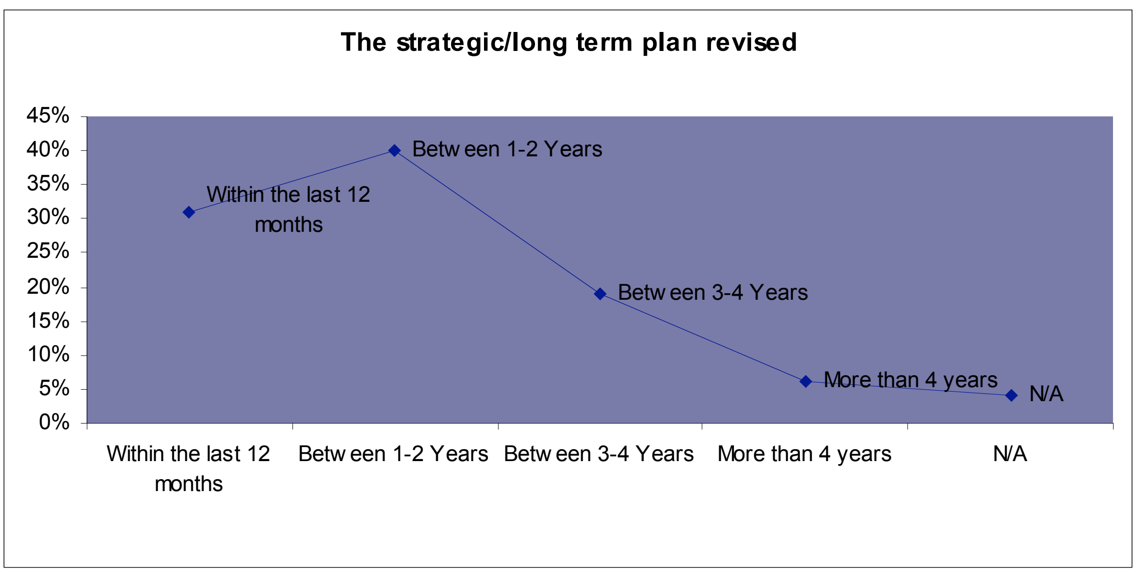
4. Is there an association between how long ago organizations updated their strategic plan and the 6 selected organizational capacity elements (SOCE)?

Best practice guidance indicates strategic planning includes:

> envisioning and setting the organization's strategic direction; and supporting an inclusive, management-directed, organization-wide, long- term plan every 4-5 years (COA, 8TH ed.www.coastandards.org).

Figure 8.5 highlights that thirty-one percent (31%) of respondents indicate a revision in their strategic plan within the last 12 months, and forty percent (40%) between one and two years. However, 25% of respondents indicate revision of their strategic plan in 3 or more years.

Figure 8.5- Revision of the strategic plan



The question of interest here is, whether how long ago the strategic plan was updated, was associated with the organizations' assessment of capacity. To answer this question a chi-square was conducted between the independent variable of updating the strategic plan (updated in past 12 months, n= 82, updated within 1-2 years, n= 106, updated between 3-4 years, n=50, and updated more than 4 years ago, n= 24) and all 6 SOCE variables. The analysis was statistically significant with the single item mission/goal element. Figure 8.6 presents the results of the cross tabulation of strategic planning revision and the item on the mission/goal capacity index (whether the organization has clearly defined measurable goals/objectives in a written strategic long-term plan.

Figure 8.6- Cross tabulation: How long ago the strategic plan was updated and Mission item on SOCE (whether the organization had clearly measurable goals in the strategic plan).

		Mission /goal capacity		
Revision of strategic plan	*Disagree or Strongly Disagree*	*Somewhat Agree*	*Strongly Agree*	*Total*
Within last 12 Months	8.5 3.7%	31.3 32.9%	42.3 64.4%	82 100%
Between 1-2 Years	10.9 7.5%	40.5 38.7%	54.6 53.8%	106 100%
Between 3-4 Years	5.2 16%	19.1 40%	25.8 44%	50 100%
More than 4 Years Ago	2.5 33.3%	9.2 50%	12.4 16.7%	24 100%
Total	27 10.3%	100 38.2%	135 51.5%	262 100%

As can be seen, 64% of agencies that updated their strategic plan within the last year reported having clearly written measurable goals/objectives in their long-term plan, compared to only 53.8% of those that updated their strategic plan between 1-2 years ago, only 44% of those that updated their strategic plan 3-4 years ago, and only 16.7% of those that updated their plan more than 4 years ago. Figure 8.7 presents the results of the chi-square analysis.

Figure 8.7- Chi- Square Test of Strategic Plan Revision

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.306	6	.000
Likelihood Ratio	26.573	6	.000
Linear-by Linear Association	24.071	1	.000

The chi-square indicates statistical significance in the association between revision of the strategic plan and mission/goal capacity, x^2 (3, n= 262)= 28.31, p< = .001. Thus, agencies that updated their strategic plan more recently reported greater capacity in the area of mission/goals. None of the other analyses were statistically significant.

5. **Is there an association between length of time governing board chair served and the 6 selected organizational capacity elements (SOCE)?**

The frequency distribution for the length of time that the board chair served in his/her capacity reveals that nearly half (45%) of board chairs have been in this role for one to three years, while 28% have led the board for less than a year. Twenty-seven percent of board chairs have been in this role more than three years (17% three to eight years and 10% have served for more than eight years.)

The question of interest here was, whether length of tenure of board chair was associated with the organizations' assessment of capacity. To answer this question an analysis of variance was conducted between the independent variable of length of stay of board chair (less than 1 year, n= 74, between 1-3 years, n=120, between 3-8 years, n=45, more than 8 years, n=26), and the 6 selected organizational capacity elements,(SOCE) . None was statistically significant.

6. Is there an association between length of tenure of the CEO and the 6 selected organizational capacity elements (SOCE)?

The tenure of the CEO is relevant to organizational leadership, and the organization's ability to articulate its mission and actuate its goals. In terms of tenure of the CEO, forty-three percent of CEO's have held the position for more than 10 years, while twenty three percent of CEO's have held the position between 5 and 10 years. CEO's in their current position between 3 and 4 years represent ten percent of the sample. Twenty- four percent have been in their position for under 2 years.

The question of interest here was, whether the tenure of the CEO was associated with the organizations' assessment of capacity. To answer this question an analysis of variance conducted between the independent variable of tenure of CEO (less than 1 year, n= 32, between 1-2 years, n= 30, between 3-4 years, n=26, between 5-10 years, n=61, and more than ten years, n=114) and all 6 SOCE. Figure 8.8 illustrates the association between CEO tenure and the single item regarding mission clarity was statistically significant, F= (3, 205) = 2.76, P = .03.

Figure 8.8- CEO Mean Scores on Mission Clarity Item by Length of Tenure of CEO

CEO Tenure in the organization		N	Mean	SD	F	Sig.
Mission Clarity	➢ within the last 12 months	32	2.25	.718	2.76	.027
	➢ between 1-2 years	30	2.47	.629		
	➢ between 3-4 years	26	2.23	.765		
	➢ between 5-10 years	61	2.30	.615		
	➢ more than 10 years	114	2.55	.653		

Organizations with CEO's in their position for more than 10 years had the highest mean score of 2.55. Agencies with CEO's in their position between 5 and 10 years had mean scores of 2.30; agencies with CEOs in their position between 3-4 years had mean scores of 2.3; agencies with CEOs in their position between 1-2 years had mean scores of 2.47; and agencies with CEOs in their position less than 1 year had mean scores of 2.25.

Given the anticipated CEO turnover discussed in the context of leadership changes[39], these findings are noteworthy. Although the findings are significant,

[39] Chapter 1, p.12

there is no linear trend. The association between CEO tenure in the organization and the remaining organizational capacity indices, however, were not statistically significant.

7. Is there an association between whether the CEO was hired from staff and the 6 selected organizational capacity elements (SOCE)?

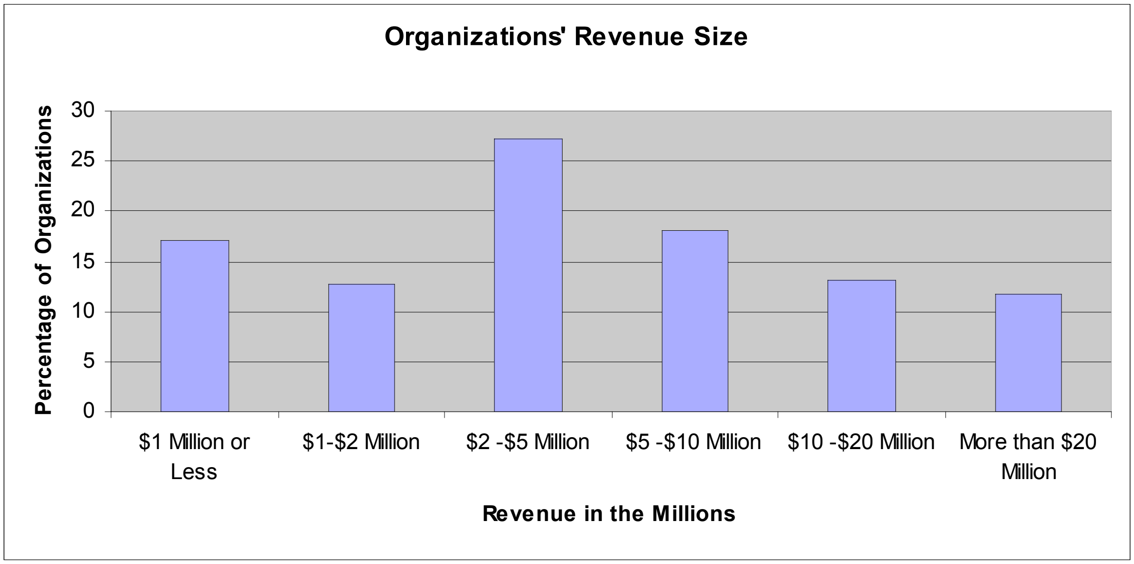
Fifty percent of the Executive Directors were promoted from within and fifty percent were new to the organization when appointed as Executive Director. Consistency in organizational leadership generally supports continuity of mission and goals. As organizations transition to new developmental stages, the role of the leader within the organization evolves. This is consistent with the developmental and leadership needs of the new stage (Hasenfeld & Schmidt, 1989; Bailey & Grochau, 1993; Koroloff & Briggs, 1996; Simon, 2001; Light, 2004).

The question of interest here was whether the CEO being hired from staff was associated with the organizations' assessment of capacity. To answer this question a t-test was conducted between the independent variable of CEO coming from staff and each of the 6 measures of organizational capacity. Analysis indicates no significant relationship between the CEO's prior staff membership and the SOCE.

8. Is there an association between organizational revenue and the 6 selected organizational capacity elements (SOCE)?

Information about the revenue of the organizations is presented in Figure 8.9.

Figure 8.9- Organizations' Revenue



Seventeen percent of the organizations reported revenues of 1 million or less. 12% reported revenues between 1-2 million, 27% had revenues between 2 to 5 million dollars, 18% of organizations reported revenues between 5 and 10 million dollars, 12% reported revenues between 10 to 20 million dollars, and about 12% each had revenues between 10-20 million and 20+ million dollars.

The question of interest was whether revenue was associated with the organizations' assessment of capacity. To answer this question an ANOVA was conducted between the independent variable of revenue size (less than 1million, n= 38, 1-2 million, n=26, 2-5 million, n=62, 5-10 million, n=40, 10-20 million, n=31 and 20+ million, n=28) and the 6 measures of organizational capacity.

The analysis of association with finances was statistically significant F (5/220 = 3.93, p = .002).

Figure 8.10 identifies the association between organization revenue and finance resource management index.

Figure 8.10- Mean scores on the Financial Resource Management Index by Organization's Revenue

Organization Revenue		*N*	*Mean*	*SD*	*F*	*Sig.*
Financial Resource Management Index	$1 million or less	38	6.13	1.80	3.93	.002
	1-2 million	26	6.15	1.66		
	2-5 million	62	6.50	1.60		
	5-10 million	40	7.03	1.48		
	10-20 million	31	7.29	1.24		
	over 20 million	28	7.36	1.66		

Organizations with up to one million in revenue had a mean score of 6.13, as compared to organizations with revenue of one to two million dollars with a mean score of 6.15. The mean scores increase as the revenue and size of the organization increases: two to five million have a mean of 6.50; five to ten million have a mean of 7.03; ten to twenty million have mean of 7.29; and organizations over two million dollars have a mean score of 7.36. Consequently, the larger the organizations' revenue, the greater its reported organizational capacity. Likewise, organizations with less revenue need greater assistance with financial capacity development. Thus, here there is a continuous relationship between organization revenue and financial capacity development.

There was also a statistically significant association between revenue and the mission item, F (5/262) = 4.63, Sig. = .000. Figure 8.11 illustrates the association between mission and organizational revenue.

Figure 8.11- Mean scores of Mission Clarity by Organization's Revenue

Organization Revenue		*N*	*Mean*	*SD*	*F*	*Sig.*
Mission Clarity	$1 million or less	44	2.11	.754	4.63	.000
	1-2 million	34	2.21	.687		
	2-5 million	72	2.40	.664		
	5-10 million	48	2.54	.617		
	10-20 million	35	2.66	.482		
	over 20 million	30	2.63	.615		

Organizations with up to one million in revenue had a mean score of 2.11, as compared to organizations with revenue of one to two million dollars with a mean score of 2.21. The mean scores increase as the revenue and size of the organization increases: two to five million have a mean of 2.40; five to ten million have a mean of 2.54; ten to twenty million have mean of 2.66; however, organizations over two million dollars have a mean score of 2.63.

Interestingly, organizational revenue is not associated with the remaining components of organizational capacity. The Composite Index, while close, is not statistically significant, F = 2.06, Sig. = .071; in the area of Information & Technology Index F = .964, Sig. = .440; and on the Performance Quality Improvement Index F = 1.05, Sig. = .386. Thus, organizational revenue has a differential relationship with elements of organizational capacity, a significant association with the Financial Index and Mission & Goal clarity; a close, but not significant relationship to the composite index, and no significant association with the remaining aforementioned capacity indices.

9. Is there an association between increase in revenue in past two years and the 6 selected organizational capacity elements (SOCE)?

Growth in an organization's structure and size can indicate a transition in stage of development (Bielawski & Epstein, 1984). An increase in revenue can signal a change in services and contracts. Twenty- three percent of organizations indicate that their income was greater two years ago, while seventy-seven percent indicate this was not the case. An increase in an organization's annual revenue over two years suggests expansion, change in need and demand, and possibly stretching an organization's capacity resources (Light, 2004).

The question of interest here was, whether change in revenue was associated with the organizations' assessment of capacity. To answer this question a t-test was conducted between the independent variable of increase in revenue size (did not increase in past two years, n= 62, did increase in past two years, n= 203) and the 6 measures of organizational capacity. None of the analyses was statistically significant.

10. Is there an association between three aspects of computerization and the 6 selected organizational capacity elements (SOCE)?

The interest in technology is two-fold: Technology is identified as an area of organizational capacity that is typically underdeveloped (Blau, 2001). An organization's technology may have a relationship to its capacity, particularly in information management. Four aspects of computerization were examined: electronic client case records, electronic client information systems, employee payroll/attendance records, and electronic billing/reimbursement.

Forty-six percent of the organizations have electronic client case records, as compared to fifty-four percent that do not have electronic client case records.

The question of interest here was, whether having electronic client case records was associated with the organizations' assessment of capacity. To answer this question a t-test was conducted between the use of electronic client case records (uses electronic client records n=119, does not use electronic records file, n=136) and the 6 measures of organizational capacity.

The test for information & technology management index was significant with having electronic client case records, as indicated in Figure 8.12.

Figure 8.12- Mean Scores on Information & Technology Management Index by Having Electronic Client Case Records

	Client Case Records	*N*	*MEAN*	*SD*
Information & Technology Management Index	Organizations with computerized client case records.	119	10.36	1.88
	Organizations without computerized client case records.	136	9.74	2.03

Sig.(2 tailed).011

Organizations with computerized client case records had higher information & technology management index scores (Mean = 10.36, SD=1.88) than organizations without computerized client case records (Mean = 9.74, SD=2.03), $t(252) = 2.55$, $p = .011$. None of the other associations with having an electronic client database were statistically significant.

However, the test between having an electronic client information systems and the composite index was statistically significant. Figure 8.13 reveals that nearly three quarters (74%) of respondents indicate that they have client information systems, while approximately one quarter (26%) indicate that they do not have these systems.

Figure 8.13- Mean scores on Composite Index by Electronic Client Information System

Electronic Client information systems		*N*	*MEAN*	*SD*
Composite capacity	Organizations with an Electronic Client Information System.	158	46.8	8.0
	Organizations without an Electronic Client Information System.	50	40.6	10.0

Sig. (2-tailed) .001

Organizations with computerized client information systems had higher composite index scores (Mean = 46.8, SD=8.80 than organizations without computerized client information systems (Mean = 40.6, SD=10.3), t (70.3)= 4, p=.001 .

Next, having an electronic employee payroll was examined in relation to the 6 organizational capacity elements. Fifty-two percent of organizations have electronic employee attendance records to manage their payroll systems, as compared to forty- eight percent that do not manage their payroll electronically through employee attendance records. A t-test was conducted between the independent variable of having en electronic payroll/attendance system (has a system, n=112 and not does not have a system, n=96) and the 6 SOEC variables. Results revealed a statistically significant effect for the composite score. Figure 8.14 presents the SOCE Composite Index and its association with electronic staff information.

Figure 8.14- Mean scores on Composite Index by Electronic Attendance/Payroll Records

Electronic Staff Attendance/Payroll Records		*N*	*MEAN*	*SD*
Composite Index	Organizations with Electronic Employee attendance/payroll	112	46.7	8.3

	records			
	Organizations without Electronic Employee attendance/payroll records	96	43.7	9.2

Sig. (2-tailed) .013

Organizations with electronic employee attendance/payroll records have a mean score of 46.7, while organizations that do not have electronic employee attendance/payroll records have a lower mean score of 43.7. Organizations with a lower mean score have less capacity in information and technology than organizations with a higher mean score. The t-test indicates significance, t (192.6) = 2.5, p=.013.

Next, the association between having an electronic billing system and the 6 SOCE measures was examined. Nearly two thirds (68%) of organizations have electronic billing, while approximately one third (32%) do not. Results revealed a statistically significant effect for financial resource management, as indicated in Figure 8.15.

Figure 8.15- Mean Financial Resource Management Index Scores by Electronic Billing

Electronic Billing		*N*	*MEAN*	*SD*
Financial Resource Management Index	Organizations with electronic billing	150	6.86	1.60
	Organizations without electronic billing	75	6.40	1.70

Sig. (2-tailed) .047

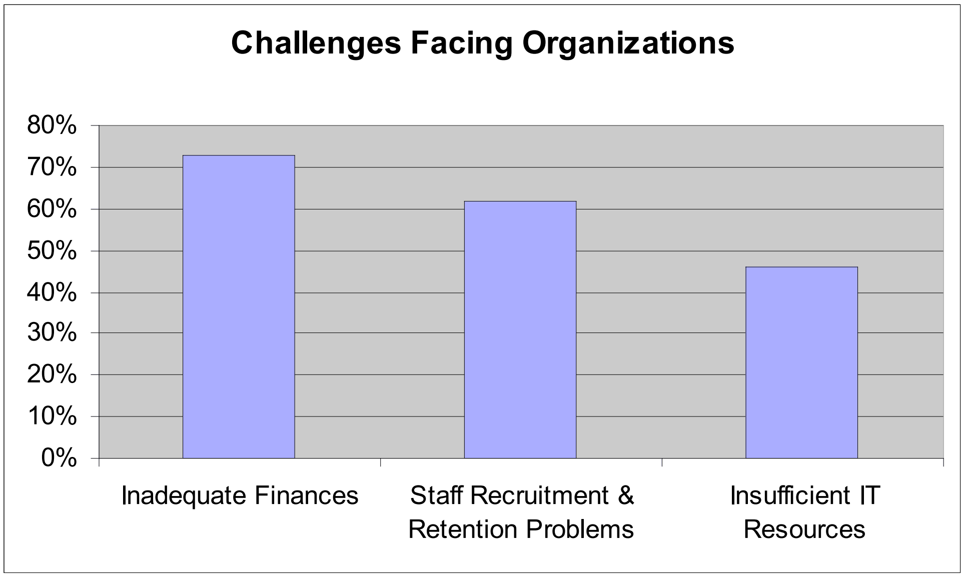
Organizations that use electronic billing (Mean= 6.86, SD=1.6) have statistically significant higher scores on the Financial Index than organizations that do not use electronic billing (Mean= 6.40, SD=1.70), t (139.8) = 1.95, p= .047. The lower mean score indicates that these organizations need greater assistance in the financial resource management index, than organizations that do have these systems. None of the other analyses were significant.

11. Is there an association between three identified organizational challenges and the 6 selected organizational capacity elements (SOCE)?

Organizations were asked to identify whether each of six possible challenges was an actual current challenge: adequate finances, governing body recruitment, staff recruitment and retention, qualified staff, sufficient volunteers and information technology resources. Data regarding these potential challenges provide an additional opportunity to assess pre-accreditation capacity gaps and needs. Asking organizations to select the areas that challenge their capacity provide greater perspective on the relationship between the dependent and independent variables.

The relevant question here was: are these challenges associated with organizational capacity? A frequency distribution of the six variables revealed that three met the criteria of being identified by at least 20%: finances, staff recruitment/retention, and sufficient information and management, whereas the other three of the potential challenges were identified by too few respondents to be included in analyses: governing body recruitment, sufficient volunteers and qualified staff. Figure 8.16 presents the frequency distributions of the three included variables.

Figure 8.16 – Challenges Facing Organizations



At Time[1], organizations identified adequate finance, sufficient IT resources and staff recruitment & retention, as challenges; with a frequency of affirmative responses of 73%, 62% and 46.4% respectively.

Next, a t-test was conducted to determine whether there was a significant association between having adequate finances (having adequate finances is a challenge, n=178, having adequate finances is not a challenge, n=48) and the 6 SOCE. One of the six tests was statistically significant, the Financial Index. Figure 8.17 illustrates the association between organizations that identify adequate finances as a challenge and the dependent variables in the financial index.

Figure 8.17- Mean Financial Index Score by Finance Challenge

	Adequate Finances	*N*	*MEAN*	*SD*
Financial Resource Management Index	Organizations that indicate adequate finances are a challenge.	178	6.59	1.66
		48	7.13	1.51

	Organizations that indicate adequate finances are not a challenge.	

Sig. (2-tailed) .046

Organizations that indicate finances to be a challenge (Mean=6.59, SD=1.66) had statistically significantly lower scores on the Financial Resources Index compared to organizations that did not view finances as an organizational challenge (Mean= 7.13, SD=151), t (80.4) = -2.11, p= .046.

Analyses were conducted to compare SOCE scores for the organizations that reported staff recruitment to be a challenge (n=132) and those that did not (n=76). There was no statistically significant effect.

Finally, analyses were conducted to assess the association between indicating information management challenges and the 6 SOCE. Of the six tests run, four were statistically significant. As per figure 8.18, there is an association between SOCE composite index and organizations that identify information technology as a challenge.

Figure 8.18- Mean Composite Index Scores by Information Technology Challenge

Sufficient Information & technology management		*N*	*MEAN*	*SD*
Composite Index	Organizations that consider sufficient Information Technology an organizational challenge.	101	42.8	9.0
	Organizations that consider sufficient Information Technology not to be an organizational challenge.	107	47.7	8.1

Sig. (2-tailed) .000

Organizations that are challenged by information management and technology resources had a lower mean score (Mean=42.8, SD=9.0) in the Composite Index than organizations that did not experience such a challenge (Mean= 47.7, SD=8.1), t (201.4) = -4.04, p= .000.

As per figure 8.19, organizations that experience challenges with information management and technology resources had lower mean scores (Mean=6.24, SD=1.9) than organizations that did not experience such a challenge (Mean= 7.8, SD=1.4), t (221.6) = -7.62, p= .000.

Figure 8.19- Mean Information & Technology Management Index Scores by Information Technology Challenge

Sufficient Information & technology management		*N*	*MEAN*	*SD*
Information & Technology Management Index	Organizations that consider sufficient Information Technology an organizational challenge.	120	6.24	1.9
	Organizations that consider sufficient Information Technology not to be an organizational challenge.	126	7.85	1.4

Sig. (2- tailed) is .000

Organizations challenged by Information Technology scored in the significant range in the Information & Technology Index.

As per figure 8.20, organizations that experience challenges with information management and technology resources had a lower Financial Management

Index mean score (Mean=42.8, SD=9.0) than organizations that did not experience such a challenge (Mean= 47.7, SD=8.1), t (223.1) = -2.82, p= .005.

Figure 8.20- Mean Financial Resource Management Index Scores by Information Technology Challenge

Sufficient Information & technology management		*N*	*MEAN*	*SD*
Financial Resource Management Index	Organizations that consider sufficient Information Technology an organizational challenge.	106	6.39	1.6
	Organizations that consider sufficient Information Technology not to be an organizational challenge.	120	6.99	1.7

Sig. (2- tailed) is .005

As per figure 8.21, organizations that experience challenges with information management and technology resources had a lower mean score (Mean=42.8, SD=9.0) than organizations that did not experience such a challenge in the Performance Quality Improvement Index. (Mean= 47.7, SD=8.1), t (233.8) = -3.5, p= .001. See Figure 8.21.

Figure 8.21- Mean Performance Quality Improvement Index Scores by Information Technology Challenge

Sufficient Information & technology management		*N*	*MEAN*	*SD*
Performance Quality Improvement Index	Organizations that consider sufficient Information Technology an organizational challenge.	116	25	6.2
	Organizations that consider sufficient Information	131	28	5.6

	Technology not to be an organizational challenge.	

Sig. (2- tailed) is .001

Thus, the results from these aforementioned tests reveal four areas that were statistically significant for organizations that experience challenges with inadequate finances and insufficient IT resources and SOCE.

Summary

Eleven organizational characteristics met the criteria for analysis with the dependent variables to determine Time ^{1} pre-test associations. Consistent with the program theory articulated in this study, organizational characteristics that exist prior to the introduction of accreditation (independent variable) are related to the selected organization's capacity elements, SOCE (dependent variable). There are associations explored between several organizational characteristics and the selected organizational capacity elements at the beginning of the accreditation process, which, while interesting, are not statistically significant. Whether an organization is mandated or seeks accreditation voluntarily was not associated with assessment of capacity on the pre-test. Likewise, an organization's change in mission was not associated with pre-test assessment of capacity. The governing board chair's tenure and the CEO 's prior position did not have an association with the SOCE. Changes in an organization's revenue over a two-year period did not have a relationship to the dependent variables. Finally, organizations that experience staff recruitment as a challenge did not have a statistically significant association to the SOCE.

Organizational characteristics that did have significant associations with measures of capacity provide insight into the capacity needs and developmental stages of organizations. Those seeking accreditation for the first time reported greater capacity needs in many areas compared to organizations seeking reaccreditation. Greater mission clarity was associated with organizations that revised their strategic plan more recently and with CEO's who had greater longevity. Organizational characteristics associated with technical savvy (i.e. electronic client records data systems, attendance/payroll & billing) were statistically significantly associated with the dependent variables. Organizations that expressed challenges in finance and informational technology have an association with the dependent variables.

This chapter presented the analysis of the association between organizational characteristics at Time^{1} and organizational capacity. The analysis provides credible support for the specific pre-test characteristics that have a significant association with the SOCE (dependent variables).

Chapter Nine

Pre and Post-Test Analysis: Assessment of Change in Organizational Capacity

A comparison of the pre and post-test data is presented in order to determine whether self- assessment of organizational capacity changed from before the COA process to the completion of the COA process. From these data, it can be inferred that change reported is due to the COA process itself.

Assessment of Organizational Capacity (AOC): Timeline between the Pre and Post-Test

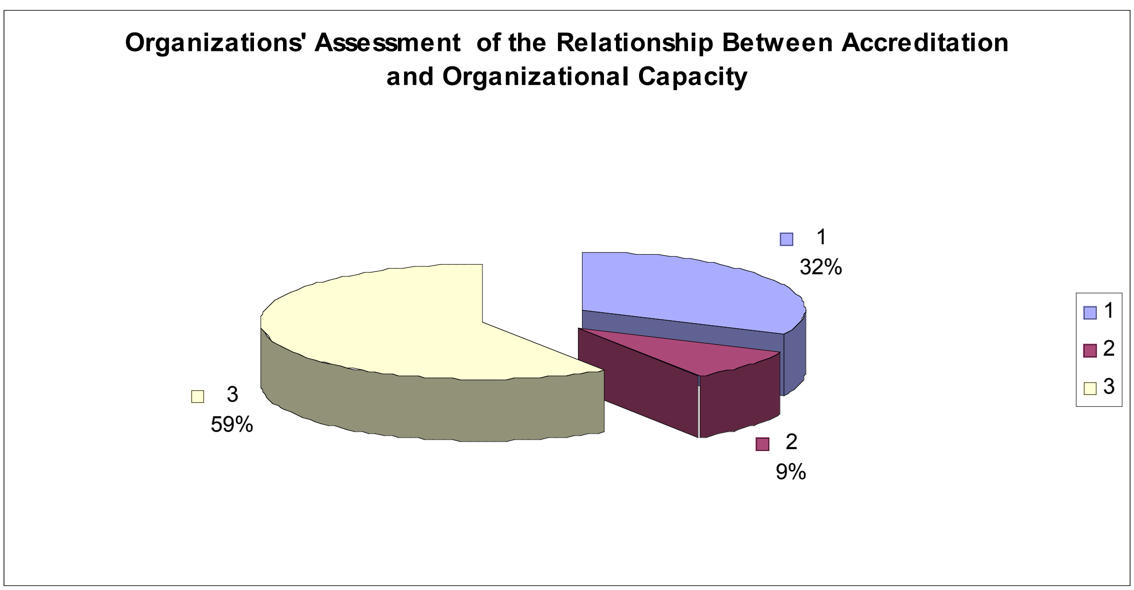
The pre-test (AOC) was completed when organizations began the accreditation process. The post- test was requested when organizations completed the site visit, and prior to the rendering of an accreditation decision. The organization's assessment of change was to be determined independent from the accreditation outcome. The amount of time between completion of the pre-test and post-test ranges from 138 days (approximately four and a half months) to 626 days (approximately one year and nine months). The mean is 361 days, approximately one year, with a 97.3 Std. Deviation. Sixty percent of the 109 organizations completing the post- test did so within one year. Forty percent of organizations completing the post-test required more than a year to do so.

Post-Test Assessment on Change in Capacity

Of the 109 organizations completing the pre and post-test, 82% (89 organizations) answered each question. The 18% (20 organizations) with incomplete responses were removed from the sample, because without the complete post-test, change could not be determined. One organization was determined to be an outlier due to errors in scoring, (see page 157) and removed from the sample; thus the total number of organizations available in the post-test is 88.

The calculation to determine organizations' change in assessment of capacity, and the direction of change was calculated by a composite score (sum of the 1 mission item, 3 finance items, 3 information resource items, 1 cultural competence item, and 11 performance quality improvement items) from the pre-test AOC and from the post-test AOC. The pre-test score was subtracted from the post-test score such that a positive number indicated a positive change (increase in assessed organizational capacity), while a negative number indicated a negative change (decreased in assessed organizational capacity). Figure 9.1 illustrates the distribution of the change variable.

Figure 9.1 – Change in Organizations' Assessment of Organizational Capacity from Pre-test to Post-test



The data indicates:

- *32% (n=28) organizations (blue) scored lower in the post-test than the pre-test. This outcome indicates the organizations' assessment of capacity was lower at post-test than at pre-test, following the accreditation process.*

- *9% (n= 8) organizations (magenta) had the same score at pretest and at posttest, indicating no change in perceived organizational capacity following the COA accreditation process.*

- *59% (n=52) organizations (cream) scored higher on the post-test than the pre-test. This outcome indicates the organizations' assessment of capacity was higher at post-test, following the accreditation process.*

The program theory is: *Organizations completing COA Accreditation milestones plus Implementing COA (Administrative & Management Standards) will increase Organizational Capacity*[40]*.* Fifty nine percent of the organizations assess capacity as higher on the post-test, giving credibility to the program theory.

The Direction of Change

The data reveals that 91% of those agencies changed in their assessment of organizational capacity following the COA accreditation process, although the change was not always in the expected direction of increased capacity. One third of the agencies had reduced capacity scores while 59% had increased capacity scores.

Of the 32% of organizations that reported lower capacity on post-test, scores ranged from –14 through – 1. The 8% of organizations that had identical pre and post-test scores are reflected in the chart with scores of 0, no change. Of the 59% of organizations that reported greater post-test capacity than pre-test capacity, their change scores range from +1 through +24. The distribution of change indicates a range of –14, the lowest score (the highest negative direction of change), to + 24, the highest score (the highest positive direction of change).

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[40] See Chapter 2, Program theory of change, p30.

Thus, there is a wide range of difference within the post-test responses among the 88 organizations completing the post-test.

Discussion of Outcomes

While 59% of organizations reported improvement in capacity following the COA accreditation process, there are eight factors that have been identified as possibly contributing to the 41% of organizations that indicated no change or an actual reduction in capacity.

First, an inflated pre-test score could reduce the likelihood that improvement would be revealed. An organization might have inflated its pre-test scores, because they genuinely believe, prior to assessment, that their capacities are strong. In addition, organizations may have difficulty acknowledging perceived deficits to an accrediting body, regardless of the intended use of the information,[41] and/or might function in an organizational culture that makes it difficult to honestly admit that some areas require change.

As a result of the COA assessment process, which typically includes a review of standards for practice, organizations may become more realistic about their organization's capacities. The activity of assessment may reframe the organization's original sense of accreditation readiness, overall functioning, and capacity.

A second issue is that organizations seeking accreditation may begin developing accreditation norms in anticipation of subscribing to the standards and processes. The concept of *anticipatory accreditation* is based on Robert K. Merton's concept of *anticipatory socialization* in his work with medical students

[41] See Chapter 4, Accreditation, Issues and challenges

(Directory of Sociology, 1998; Encyclopedia of Biographies, 2004). He found that informal adaptation of the norms of behavior by a group that one aspires to is achieved prior to attaining membership in that group. Thus, students are already engaged in the behavior expected by their profession, prior to entering the field. The use of anticipatory socialization can be applied to organizations seeking accreditation that begin to implement the standards expected of an accredited organization, prior to formally beginning the accreditation process.

A third issue is that different persons filling out the pre and post-test can create uneven outcomes. Efforts to control for this limitation to the study were managed by asking the person(s) completing the pre and post-test to identify by position and/or function. Organizations were consistent in designating the senior manager responsible for COA activities to coordinate the pre and post-test.

Fourth, error in completing the pre and post- test assessment is possible. The organization that scored the greatest loss of capacity (–38) appears to be an outlier. A closer examination of the scoring reveals pre-test responses of strongly agrees (scoring choice of 4) in all areas, indicating a belief of high organizational capacity. Yet, on the post-test, the organization’s responses are all strongly disagrees (scoring choice of 1). This is possibly an error in scoring. This outlier has been excluded from the analysis.

Fifth, the belief that accreditation validates the organizations’ current and/or sufficient capacity, is a legitimate organizational stance. This belief can support a small, or zero change in post-test assessment of capacity.

Sixth, diminished resources for accreditation preparation can tax an organization’s current capacity, as articulated in the accreditation literature review, highlighting the challenges that organizations face. Organizations that deplete already taxed personnel to complete the intensive self-assessment and preparation for accreditation may not immediately view the output of their efforts as capacity enhancing, even if policies and practice are strengthened.

Seventh, organizations experiencing environmental stress, such as limited resources, demands by external funding sources or government outcome mandates, may not view the gains made by implementing the standards as improved capacity.

Eighth, greater distance from completing the post-test may be necessary for organizations' to fully appreciate the degree of improvement to their capacity. One organization decided not to complete the post-test, as they determined that it is too soon to see whether the changes they instituted, as part of accreditation, were integrated into the fabric of the organization.

These eight factors describe conditions that might have contributed to organizations that did not view accreditation as improving its organizational capacity at the time of the post-test.

Supplemental Data "Mined": A Comparison between Customer Satisfaction Surveys and Outcomes of this Study

In addition to the data generated in this study, The Council on Accreditation's annual satisfaction surveys for 2006 and 2007[42] are examined as they also address organizational capacity. Organizations have the opportunity to submit the survey in the calendar year following the completion of their accreditation cycle. In a multiple- choice survey, organizations are asked questions about the value of accreditation for their organization. *How has COA accreditation*

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[42] Provided by the Quality Management Dept. at COA

benefited your organization has several statements for respondents to address. Response choices include: enhances organizational learning/knowledge; ensures funding; improves organizational marketability; improves reputation with external stakeholders/community; improves the quality of services provided; improves outcome for persons served. The response on the consumer satisfaction survey that is of interest to this study is: *Enhances organizational capacity*.

The organizations in the sample for this study began the accreditation process between December 2005 through February 2007, overlapping with the time frame for the annual 2006 and 2007 surveys. One hundred and thirty one surveys were completed in 2006 and 64 were completed in 2007. It is possible that some organizations in the sample of this study may have been eligible to participate in the annual surveys well after completion of the study's post-test.

Table 9.1 compares 2006 and 2007 consumer satisfaction survey findings of *agrees/strongly agrees* to the question of whether accreditation enhances organizational capacity, and the findings in this study associated with organizations' assessment that capacity increases after completing accreditation.

Table 9.1- Comparison of increased capacity findings for organizations after accreditation: COA Consumer Satisfaction Survey and AOC post-test.

Source	Findings	2006	2007	Dec 2005-Feb 2007
COA Consumer Satisfaction Survey	Findings of agrees/strongly agrees to the question of whether accreditation enhances organizational capacity	71%	76%	
Data mined from the AOC post-test	Organizations' assessment that capacity increases after completing accreditation.			59%

Although Time¹/Time² comparisons indicate that 59% of the organizations in this study reported that accreditation enhanced capacity, as can be seen, in the COA satisfaction survey, close to three fourths reported affirmatively that accreditation-enhanced capacity[43].

Table 9.2 presents 2006 and 2007 customer satisfaction findings of *neutral or no change* in capacity due to the accreditation process, along with the finding in this study associated with organizations' assessment that capacity does not change after completing accreditation.

[43] Combined score of agree and strongly agrees.

Table 9.2- Comparison of neutral findings between accreditation and organizational capacity: COA Consumer Satisfaction Survey and AOC post-test.

Source	Findings	2006	2007	Dec 2005-Feb 2007
COA Consumer Satisfaction Survey	Findings of neutral/ no change to the question of whether accreditation enhances organizational capacity	14%	17%	
Data mined from the AOC post-test	Organizations' assessment that capacity has no change after completing accreditation.			9%

The rating of neutral in the satisfaction surveys is fourteen percent in 2006 and seventeen percent in 2007. This is comparable to the post- test response of 9% in this study that assesses accreditation as having no change on organizational capacity.

Table 9.3 presents 2006 and 2007 customer satisfaction survey findings of *disagrees* to the question of whether accreditation enhances organizational capacity, and the findings in this study associated with organizations' assessment that capacity is reduced after completing accreditation.

Table 9.3- Comparison of reduced capacity findings for organizations after accreditation: COA Consumer Satisfaction Survey and AOC post-test.				
Source	**Findings**	**2006**	**2007**	**Dec 2005-Feb 2007**
COA Consumer Satisfaction Survey	Findings of disagrees to the question of whether accreditation enhances organizational capacity	5%	3%	
Data mined from the AOC post-test	Organizations' assessment that capacity decreases after completing accreditation.			32%

The rating of disagrees in the satisfaction surveys occurs 5% in 2006 and 3% in 2007. This is in contrast to the post-test response of 32% in this study that assesses organizational capacity as reduced after implementing accreditation.

While the customer satisfaction survey results are relatively consistent with the overall findings of this study, there are several possible explanations as to the existing differences. The customer satisfaction survey is completed after the accreditation decision has been rendered and further away from any anxiety regarding site visit preparation. Additionally, organizations may have greater time to observe capacity change at the time of the customer satisfaction survey.

Finally, consumers understand the survey to be an evaluation of COA processes and services. In comparison, the AOC is a self-assessment of the organization’s capacity and accreditation readiness. Any and all of these factors may contribute to the higher positive response in the supplemental findings.

Critical to this discussion is whether actual accreditation outcomes are consistent with organizations’ assessment of change in capacity, which will be presented in Chapter 10.

Chapter Ten

Post-Test Analysis: The Relationship between the Assessment of Change in Capacity and Accreditation Outcomes

This study presents an opportunity to test associations between organizations' assessment of capacity and accreditation outcomes in general, and as it relates to seeking accreditation for the first time, as compared to an organization seeking reaccreditation.

Specifically, this chapter will address the following questions:

(1) Was change in ratings of organizational capacity (increase, no change, decrease) associated with actual accreditation outcomes (excellent, good, insufficient)?

(2) Is seeking accreditation for the first time, as opposed to seeking reaccreditation associated with outcomes (excellent, good, insufficient) under different conditions of change (increase, no change, decrease)?

Comparing organizational assessment to accreditation outcomes can further clarify the strength of association between the dependent variable (selected organizational capacity elements, SOCE) and the independent variable (the accreditation process). A description of the vehicle of accreditation provides a context for understanding accreditation outcomes.

Vehicle of Accreditation

How and when an organization achieves its accreditation decision is reflective of the organization's success in demonstrating implementation of the standards. The decision-making process provides a useful frame of reference for this discussion, offering an understanding of the accreditation decision methods:

- An excellent outcome: Pre-Commission, including expedite or pre-Commission pending;
- A good outcome: A Commission decision, including accredit or pending;
- An insufficient outcome: A Commission deferral, or Post Commission Deferral and Technical Assistance (TA)

Pre- Commission: Excellent Outcome

An organization with a Pre-Commission Report (PCR) that has no standards out of implementation is *expedited.* This is the most successful and efficient manner to achieve a positive accreditation decision. If a PCR report has less than six standards out of implementation (that does not indicate essential health and safety or practice risks/liabilities), the organization is able to submit the additional evidence of implementation to be reviewed by the PCR committee. Like the expedite outcome, the *Pre-Commission Pending (PCP),* can receive an accreditation decision in the PCR meeting, in lieu of the full Commission process.

Commission Decisions (Good Outcome) and Post Commission (Insufficient Outcome)

The normative process for achieving an accreditation decision is during the Commission meeting, where the team of commissioners determines the accreditation status of organizations based on the information provided with the PCR report. The accreditation outcomes are *to accredit, pending, deferred, or deferred with TA.* Accreditation occurs within the Commission meeting if the organization has sufficiently demonstrated implementation of the standards. A pending decision is a nearly complete accreditation outcome, requiring only small changes to demonstrate implementation, and is completed within thirty days. A deferred decision indicates that considerable demonstration of implementation is required and can take up to six months to complete. Organizations, which are deferred, have not achieved accreditation and become part of the post Commission process. A deferral is an insufficient accreditation outcome; organizations are given recommendations and a time frame to implement them. Technical assistance can occur Pre-Commission or at the Commission. If the PCR report indicates a plethora of issues, Pre-Commission technical assistance (TA) is offered to the organization prior to the Commission review. The organization is assigned to a TA specialist, and a timeline that is realistic for completing the standards out of implementation is agreed upon. Once completed, the evidence is re-submitted to the Commission for a decision.

Analysis of the assessment of change in capacity and accreditation outcomes

The first question posed, *Was change in ratings of organizational capacity (increase, no change, decrease) associated with actual outcomes (excellent, good, insufficient),* is addressed in Tables 10.1 and 10.2. Table 10.1 addresses the association between change in capacity (higher, unchanged and lower) and accreditation outcomes. Table 10.2 provides the statistical analysis.

Table 10.1 compares organizations that assess a higher post-test capacity with accreditation outcomes. These organizations comprise 59% of all organizations completing the post-test assessment of organizational capacity. Sixty-seven percent of organizations that assessed accreditation as increasing capacity have excellent outcomes. Organizations with good outcomes account for 27% of those that assessed higher post-test capacity. Six percent of the organizations had not had an accreditation decision at this time. The Commission accredited an organization that assessed accreditation to improve capacity, after Pre-Commission TA (column 3, good outcomes, row 1). Pre-Commission technical assistance, as described earlier, is a proactive means of supporting organizations identified as at risk for insufficient accreditation outcomes. For this study, Pre-Commission TA is an intervening variable. The quality of the technical assistance and the relationship between the provider and the organization are factors that can contribute to the accreditation outcomes.

Table 10.1 also presents the accreditation outcomes for organizations that assessed post-test capacity as unchanged. This sub-group accounts for 9% of organizations that completed the pre and post-tests. Similar to the cohort that assessed higher post-test capacity, this cohort also had good (50%) to excellent (50%) outcomes and no insufficient outcomes. This outcome is consistent with organizations that use accreditation to validate their current practice, or for organizations that overestimated their pre-test capacity. Further studies with these organizations would be useful to determine whether they view accreditation as validating their organizations' current good practice.

Finally, Table 10.1 presents the accreditation outcomes for organizations that assessed a reduction in capacity after implementing accreditation standards. Organizations that assessed lower post-test capacity comprised 32% of all organizations completing the post-test. In contrast to the cohorts that rated change in capacity post-test as higher, or unchanged, the group with lower post-test capacity had the poorest overall outcomes. Organizations in this cohort combine for a total of 71% of good or better outcomes. However, a noteworthy outcome for this cohort is the 28% insufficient/incomplete accreditation outcome. This is the only cohort to have a significant negative result. Seemingly, an assessment of reduced capacity (post-test) is associated with insufficient accreditation outcomes. Further data- mining of the organizations' PCR reports indicate that this cohort, organizations assessing reduced capacity and achieving insufficient accreditation outcomes, had challenges in the dependent variables in the financial management and performance quality improvement indices.

Table 10.1 – The association between change in capacity and accreditation outcomes

Change in Capacity	Accreditation Outcomes			
	Pre-Commission Exp/PCP (Excellent outcome)	**Commission Accreditation or Post Com Pending (Good outcome)**	**Post-Commission Def / TA or Accreditation decision time not rendered at the time of this analysis. (Insufficient outcome & undetermined outcome)**	**Total**
	N=55	N= 22	N=11	N=88
Organizations with Higher post-test capacity	67.3%	26.9%	5.8%%	100%
Organizations with Unchanged post-test capacity	50%	50%	0%	100%
Organizations with Lower post-test capacity	57.1%	14.3%	28.6%	100%
Total	62.5%	25%	12.5%	100%

Table 10.2 presents the results of the chi-square analysis.

Table 10.2- Chi-Square for Assessment of Change and Accreditation Outcomes

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	12.554	4	.014
Likelihood Ratio	12.266	4	.015
Linear-by-Linear Association	3.876	1	.049
Cases	88		

The chi-square indicates a statistically significant relationship between assessment of change in capacity and accreditation outcomes,

x^2 (2, n= 88)= 12.55, p< =.007.

While seventy percent of organizations that assess capacity to be lower at the post-test still achieve accreditation, this does not diminish the significance of the outcomes for organizations. As previously noted, the vehicle of accreditation is important in determining whether and how the standards are implemented by an organization. If an organization is able to receive a decision in the pre-commission or commission, no additional technical assistance is required for the organization to implement the standards. A deferral/TA in the Post Commission means that the normative accreditation process was not sufficient for the organization to demonstrate implementation of the standards. The premise for this research is that implementing select standards is a means to increasing organizational capacity. Thus, positive change in capacity may not be achieved if standards are not implemented successfully.

Finally, organizations that assess accreditation to have a positive or neutral impact on its capacity had greater positive outcomes than the cohort that assessed lower capacity in the post-test.

Challenges to accreditation (Weissman, 1980; Pollack, 2005) include cost, time, limited resources and a negative site visit experience. These obstacles can be contributing factors to organizations achieving accreditation while concurrently assessing standards implementation as lowering capacity. Future studies with this cohort would be useful in determining whether their assessment remains unchanged.

The second question posed at the beginning of this chapter is: *Is seeking accreditation for the first time, as opposed to seeking reaccreditation associated with outcomes (excellent, good, insufficient) under different conditions of change (increase, no change, decrease)?* Organizations seeking accreditation for the first time that completed the pre and post-test constitute 17% of the sample. Organizations seeking reaccreditation, completing the pre and post-test represent the remaining 83%. The uneven sample distribution is consistent with the typical balance between new and reaccredited organization seeking accreditation annually (COA benchmarks, 2006 & 2007). The analysis provided in Tables 10.3 through 10.6 describe the difference between new organizations and those seeking reaccreditation for each outcome (excellent, good, insufficient), as it relates to change in capacity at the Time ^{2} post-test.

Table 10.3 addresses whether there is a relationship between first-time and reaccreditation seekers and outcomes for the sub-sample of organizations that reported an increase in capacity, from pre test to post-test (n=52).

Table 10.3 - First-time and reaccreditation seekers reporting higher post-test capacity, and accreditation outcomes

Change in Capacity		**Accreditation Outcomes**		
Higher post-test capacity	Pre-Commission Exp/PCP (Excellent outcome)	Commission Accreditation or Post Com Pending (Good outcome)	Accreditation decision time not rendered at the time of this analysis. (Undetermined outcome)	Total
	N= 35	N= 14	N= 3	N= 52
First time (new)	50%	40%	10%	100%
Reaccred	71.4%	23.8%	4.8%	100%

For the cohort with higher post-test capacity, excellent outcomes were achieved by half of the organizations seeking accreditation for the first time (new). In comparison, organizations seeking reaccreditation achieved excellent outcomes nearly three quarters of the time. Good outcomes were achieved 40% of the time for new organizations, as compared to nearly 24% seeking reaccreditation. No organization with higher post-test capacity received insufficient outcomes. The remaining organizations for both groups did not have an available accreditation outcome. While both new and reaccredited organizations had excellent to good outcomes, the percentage of excellent outcomes is 21% higher for those seeking reaccreditation. Table 10.4 presents the results of the chi-square analysis.

Table 10.4- Chi-Square for first- time and reaccreditation seekers reporting higher post-test capacity and accreditation outcomes

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.722	2	.423
Likelihood Ratio	1.635	2	.442
Linear-by-Linear Association	1.3605	1	.244
Cases	52		

The Chi-square indicates there is no statistically significant relationship between first –time and reaccreditation seekers reporting higher-post-test capacity and accreditation outcomes, (x^2 =1.722, p=. 211).

Table 10.5 addresses whether there is a relationship between first-time and reaccreditation seekers and outcomes for the sub-sample of organizations that reported no change in capacity from pre test to post-test (n=8).

Table 10.5- First-time and reaccreditation seekers that reported unchanged post-test capacity, and accreditation outcomes

Change in Capacity	**Accreditation Outcomes**			
Post-test capacity unchanged	Pre-Commission Exp/PCP (Excellent outcome)	Commission Accreditation or Post-Com Pending (Good outcome)	Post-Commission Def / TA (Insufficient outcome)	Total
	N= 4	N= 4	N= 0	N= 8
First time (new)	33.3%	66.7%	0%	100%
Reaccred	60%	40%	0%	100%

For the cohort with unchanged capacity, excellent outcomes were achieved by one third of new organizations. In comparison, organizations seeking reaccreditation achieved excellent outcomes 60% of the time. In contrast, new organizations had good outcomes 67% of the time, as compared with 40% of organizations seeking reaccreditation. The data presented in Table 10.5 has an *N* which is too small to test for statistical significance.

Table 10.6 addresses whether there is a relationship between first-time and reaccreditation seekers and outcomes for the sub-sample of organizations that assess a decrease in capacity from the pre- test to post-test (n=28).

Table 10.6- First-time and reaccreditation seekers that reported lower post-test capacity, and accreditation outcomes

Change in Capacity		**Accreditation Outcomes**			
Lower post-test capacity	Pre-Commission Exp/PCP (Excellent outcome)	Commission Accreditation or Post -Com Pending (Good outcome)	Post-Commission Def / TA (Insufficient outcome)	Accreditation decision time not rendered at the time of this analysis. (Undetermined Outcome)	Total
	N=16	N=4	N=4	N=4	N=28
First time (new)	100%	0%	0%	0%	100%
Reaccred	53.8%	15.4%	15.4%	15.4%	100%

For organizations that assess lower post-test capacity, Table 10.6 illustrates the noteworthy difference between new organizations and those seeking reaccreditation. New organizations had 100% excellent outcomes and did not have insufficient accreditation outcomes (0%). In comparison, organizations seeking reaccreditation, in this cohort have nearly 70% good to excellent outcomes. Organizations in both groups (new and reaccredit) reporting reduced capacity with good to excellent outcomes support further investigation to determine the cause for the assessed capacity reduction.

Despite the good to excellent outcomes reported in Table 10.6 for organizations seeking reaccreditation that assessed lower post-test capacity, outcomes, 15% of organizations had an insufficient outcome (deferral rate). Table 10.1 reveals that 28% of all organizations in the cohort that rated post-test capacity as decreased had insufficient/or incomplete outcomes. Table 10.6 reveals that the subset of Table 10.1's cohort responsible for the insufficient outcomes are only those organizations seeking reaccreditation, accounting for 15% of reaccredited organizations on Table 10.6. That said, reaccrediting organizations still have solid outcomes even if they perceive themselves to have a lower post-test capacity. The data presented in Table 10.6 has an *N* which is too small to test for statistical significance.

New organizations regardless of their post-test assessment of capacity all had good or better outcomes. Organizations seeking reaccreditation with higher capacity and unchanged post-test capacity had good to excellent accreditation outcomes. Organizations seeking reaccreditation with lower post-test capacity utilized the least desirable vehicle of accreditation, deferral/TA.

The analysis of organizational characteristics and pre-test measures indicate differences in capacity in the SOCE. Organizations seeking accreditation for the first time had greater capacity challenges than their counterparts who were seeking reaccreditation. First time seekers of accreditation assess their capacity in three areas (performance quality improvement, financial resources, and information management) to be lower than their counterparts. Yet, accreditation outcomes for new organizations are good to excellent. New organizations that assess their needs and gaps can utilize accreditation processes to implement the standards and develop capacity. Further discussions of these findings are presented in the next chapter.

Finally, organizations that assess diminished capacity post-test have greater difficulty achieving accreditation. These organizations are not new to accreditation; they are seeking reaccreditation. Insufficient standards implementation can be a function of current capacity, developmental and environmental conditions or the organization's failure to understand or utilize the process.

Summary

Accreditation outcomes are best for organizations that assess post-test capacity improvements, followed by those organizations that assess no change in capacity. Organizations that believe capacity to be decreased at post-test had the lowest outcomes. Organizations that assess lower capacity, seeking reaccreditation were deferred/TA at 15%, as compared to 0% for organizations with neutral or greater capacity assessments (Table 10.6). New organizations have accreditation decisions in the good to excellent range. Pre- Commission TA offers a possible intervening variable to this study; however, practice considerations indicate it to be a means to reduce deferrals for organizations at risk for insufficient accreditation outcomes.

Finally, the overarching question posed at the beginning of this discussion is: *Is there an association between organization assessment and accreditation outcomes?* The data suggests that organizations that assess accreditation as increasing capacity had better accreditation outcomes than organizations that assess accreditation to reduce capacity. The vehicle of accreditation is the method that COA uses to determine the organization's accreditation decision, and is an important consideration in assessing the association between capacity and the independent variable. While there is an association, this study does not suggest a cause–effect relationship. One cannot say with certainty whether the assessment drives the outcome, or whether they are parallel processes.

Chapter Eleven

Findings, Discussion, Implications

Summary of the Study

The purpose of this study is to assess what relationship, if any, exists between accreditation and change in organizational capacity in nonprofit social service organizations. The literature describing challenges facing non-profit organizations are both historically and economically based in the origins of the sector (Weisbrod, 1986; Hansmann, 1986; Salamon, 1995 and Frumkin, 2002). While supply and demand theories created the need for the non-profit sector, the sector exists largely due to its ability to sustain its mission-driven agenda.

However, challenges in mission clarity, finance, information & technology, program evaluation and performance quality management affect the sector's capacity to grow, sustain and be effective. The impact of the organizations' life cycle and developmental stage (Quinn & Cameron, 1983; Whetton & Cameron, 1983; Hasenfeld & Schmid, 1989; Bailey & Grochau, 1993; Koroloff & Briggs, 1996; Simon, 2001; Light, 2002) provides a context for understanding organizations.

The literature highlights a lack of definitional clarity about organizational capacity (Cambosasso & Davis, 2000; GTO, 2000; Light, 2002, 2004; McKinsey, 2001; De Vita & Fleming, 2001; Blumenthal, 2003; Philliber, 2004). Yet, models of capacity development (Fate & Hoskins, 2001; McKinsey, 2001; De Vita & Fleming, 2001; the Packard Model, Connolly & York, 2003) and tools for assessing capacity (GTO, 2000; Jacobs, undated; De Vita & Fleming, 2001; Linnell, 2003 and Philliber, 2004) identify eight elements that are broadly accepted as encompassing the critical components organizations require for sustainability and effectiveness.

The literature on accreditation traces its history in the medical (Scrivens, 1995), academic (Hamm, 1997) and social work (Brommel, 2006) fields of practice. The models of accreditation span a spectrum of philosophy. Each contributes to current accreditation practice principles, commencing with the traditional standards conformity model (Scrivens, 1995; Hamm, 1997; and Nichols & Schilit, 1992) and social work model (Reid, 1977). The process model (Johnson & Grieder, 2005) and the means-to-an-ends perspective (Morison Murphy, 2005) both directly address vulnerable capacity areas identified in this research study: continuous quality improvement and program effectiveness.

The literature for the nonprofit sector, accreditation and organizational capacity, focus on common themes: organizational effectiveness, mission and organizational culture, sustainability, the need for capacity development, use of technology for efficiency, and change management. However, the literature is limited in its exploration of the commonalities among the non-profit sector, organizational capacity and accreditation.

The Council on Accreditation (COA) theory of change is that organizations with sufficient capacity in administration and management have better service delivery, which translates to positive outcomes for persons served (Appendix E, COA Logic Model, 2005). This research is adapted from the part of COA's logic model that addresses accreditation and developing capacity; specifically, organizations implementing COA administrative & management standards will increase their organizational capacity, and their effectiveness.

The findings in this study are based on data mined (Epstein, 2001) from organizational records from an accrediting body. Organizational characteristics provide pre-test data about organizations and their significant associations with the SOCE. The pre and post-test survey, completed by organizations in the accreditation process, offer organizations' assessment of if, and how, accreditation impacts its capacity. These findings are then compared to the organizations' actual accreditation outcomes.

This chapter provides a discussion of these findings in relation to the literature. Limitations of the study, and strengths and limitations of the methodology will be presented. Implications for practice and policy development in the non-profit sector, as it relates to accreditation and organizational capacity, will be discussed. Recommendations for further research based on the findings will be delineated.

Findings

This study proposes to explore the relationship between implementation of COA accreditation and organizational capacity in nonprofit social service organizations, with information that is routinely available to COA. Specifically, the overarching question is: Is there an association between engaging in the accreditation process and change in organizational capacity?

The research questions addressed in this study are: (1) What are the assessments of organizational capacity of organizations prior to seeking COA accreditation? (2) What organizational characteristics are associated with assessments of organizational capacities prior to seeking COA accreditation?

(3) Does organizational capacity change following the COA accreditation process? (4) Was change in assessments of organizational capacity associated with COA accreditation outcomes? (5) Is being a first time versus reaccreditation organization associated with outcomes under different conditions of change in assessment of organizational capacity? Will differences emerge in organizational capacity between first time and reaccredited organizations?

This discussion will address the findings and implications for the five questions, and then the overarching question as described above.

1. What are the assessments of organizational capacity of organizations prior to seeking COA accreditation?

Organizations' assessment of capacity prior to seeking accreditation can be summarized in the pre-test, Time[1] results/outcomes. As indicated in Chapter 7, 19 variables of the possible 56 on the assessment of organizational capacity were rated as needing additional capacity, based on the criteria set in this study (received at least 10% disagree/somewhat disagree on the rating scale). The 19 items include 5 of the 8 elements of capacity: Mission & Goal (one item); Financial Resource Management (a three item index); Information & Technology (a three item index); Cultural Competence (one item); and Performance Quality Improvement (eleven item index). These 19 items, the two stand-alone items and three indices, form the selected organizational capacity elements (SOCE), the dependent variables for this study. The three elements not represented are Leadership & Governance, Human Resources and Community Linkages.

The literature on the non-profit sector identifies Mission Clarity (Miller, 2005; Oster, 1995); Finance (Salmon, 1994; Frumkin, 2002); Information Technology (Blau, 2001), Program Evaluation (Grasso & Epstein, 1988; Reid, 1988) and

Accountability (Patti, 1989) as challenges to organizations in the non-profit sector. It is noteworthy that the capacity needs identified by 265 organizations mirror the capacity challenges explicated in the literature. Nineteen variables represent 33.9% of the 56 possible capacity items that organizations could have selected as needing development in their capacity assessment. While this number is seemingly less than anticipated, it is a significant statement of need that is atypical for organizations to reveal to an accrediting body. COA is a facilitative partner in accreditation; however, it would be unlikely for organizations to translate a user-friendly process as negating an evaluative purpose. Thus, it is counter-intuitive for organizations to volunteer information that highlights its vulnerabilities to an accrediting body. Consequently, 19 items constitute an opportunity to study genuine capacity needs of non-profit organizations. The 19 variables had ratings ranging from 9.5% to 19.9%, in the category of needing capacity (rating #3-disagree; rating #4-strongly disagree on the AOC survey). While these percentages present a low threshold of respondents indicating capacity challenges, it is a relevant cohort for this study.

Of the three elements not selected, Leadership and Governance is the most surprising. The turnover of leadership and succession planning, driven by CEO “baby boomer” retirement would have been cause for Leadership and Governance to be identified as a challenge (Light, 2002, 2004). Likewise, CEO tenure in the organization proved to be significant factors in capacity (see Chapter 8), and adds to the credibility of Leadership/Governance identified as a capacity area. However, it may be difficult for leadership to assess itself as having capacity challenges. Overall, this shows relatively low perception of need for organizational capacity development, with the exception of a few areas; however, these areas are associated with various organizational characteristics described below.

2. What organizational characteristics are associated with assessments of organizational capacities prior to seeking COA accreditation?

The organizational characteristics obtained from the available organizational profile provided a wealth of pre-test, Time ^{1} data that describe the organizations prior to the intervention of accreditation. Notably findings of organizational characteristics that had significant associations with SOCE are: being a first time seeker of accreditation (new); revision of the organization's strategic plan; tenure of the CEO and organizations' revenue. Organizational characteristics associated with technical savvy (i.e. electronic client records data systems, attendance/ payroll & billing) were statistically significantly associated with the dependent variables. Organizations that expressed challenges in finance, staffing and informational technology have an association with the dependent variables.
In addition to providing baseline information about the 265 organizations in the study, the organizational characteristics may provide some insight into developmental dynamics of the organizations.

Developmental Stages

Developmental and life stage theory comprise the theoretical framework for this study. Yet, organizations' developmental stages were a non-finding in this study; specific associations among accreditation, organizational capacity and developmental stage did not emerge. While organizational stages are not directly tested, the association between dependent variables and organizational characteristics provide an opportunity to explore possible developmental needs and patterns. While each of the significant associations deserves consideration, two are of particular note, organizations new to accreditation and organizations' revenue.

Organizations new to accreditation presented greater capacity needs than their counterparts seeking reaccreditation. First time seekers of accreditation can be investigated to determine whether the organization is developmentally young versus new to accreditation. Young organizations have the developmental tasks associated with "start-ups", establishing its foundation and developing systems (Quinn & Cameron, 1983; Cameron & Whetton, 1983; Bailey & Grochau, 1993; Simon, 2001). These organizations have needs that may support particular or target capacity development (i.e. financial, information technology & performance quality measures). Organizations that are new to accreditation, but not developmentally young, can be maturing and expanding, and at a later developmental stage (Quinn & Cameron, 1983; Cameron & Whetton, 1983; Bailey & Grochau, 1993; Simon, 2001).

There are potential subcategories within "new" organizations that may represent more than one typology. Typologies of new organizations may be grouped according to developmental stage after further exploration and study.

Finally, the revenue of an organization is one measure of its size and scope. An analysis of organizational characteristics and organizations completing the pre- test indicates organizations with greater revenue have a positive association related to clarity of mission and financial management, as compared to other organizations. Likewise, organizations with less revenue need greater assistance with capacity development (See Chapter 8).

Organizational revenue can be studied with an eye toward life cycle transition and stages. Light (2004) and Simon (2001) discuss an organization's size as a factor in capacity development. Large organizations have greater infrastructure, and can generate greater access to resources. Conversely, organizations that develop large service delivery components, without concurrently planning for infrastructure expansion will experience challenges. Whether there is any the relationship between organizational capacity building, and an organization's size and age are beyond the scope of this study. However, further exploration may contribute to the knowledge of these potential associations.

The analysis of characteristics at the pre-test stage provides a context and foundation for further studies of developmental groupings of organizations. Utilizing organizational profiles (of the pre-test sample) may be useful to create a developmental profile and typology of organizations. These findings direct future studies in organizational life stage and capacity development.

3. Does organizational capacity change following the COA accreditation process?

Fifty-nine percent of organizations completing the Time^2 post-test (after completing accreditation milestones and implementing accreditation standards) assess an increase in organization capacity. Nine percent of organizations completing the Time^2 post-test (after completing accreditation milestones and implementing accreditation standards) assess no change in organizational capacity. Thirty-two percent of organizations completing the Time^2 post-test (after completing accreditation milestones and implementing accreditation standards) assess a decrease in organizational capacity. The analysis provides the direction of change, but not specificity on which variables cluster to create the greatest or least change. Further mining of PCR data reveals financial resource management and performance quality improvement to be a challenge for organizations with insufficient outcomes.

4. Was change in assessments of organizational capacity associated with COA accreditation outcomes?

For organizations that assessed post-test capacity as increased, 67% had excellent accreditation outcomes, as indicated by achieving an expedited or pre-commission accreditation decision. Twenty-seven percent had good accreditation outcomes, as indicated by achieving an accreditation decision during the commission. The remaining 6% in this group did not have an accreditation decision at the time of this analysis. These findings support positive assessment of capacity change and strong accreditation outcomes.

For organizations that assessed post-test capacity as unchanged, good and excellent outcomes were achieved by 50% of organizations, respectively.

For organizations that assess capacity to be decreased at the post-test, excellent outcomes were achieved by 57% and good outcomes by 14%. However, 28% of organizations had insufficient/ or incomplete accreditation outcomes, as indicated in Table 10.1. Two findings that are especially noteworthy are: first, organizations that did not assess a positive capacity change in the post-test were the only cohort to have an insufficient accreditation outcome. Secondly, only organizations seeking reaccreditation, not new organizations, achieved an insufficient outcome. The manner in which accreditation is achieved can be related to whether organizations assess capacity as a positive or negative change, post-test.

The vehicle of accreditation became a significant factor of an organization's accreditation outcomes, and is addressed as an implication for practice.

5. Is first time versus reaccreditation status of the organization associated with outcomes under different conditions of change?

The data illustrates differences between first time seekers of accreditation and reaccredited organization on the pre-test associations of the organizational characteristics and the SOCE. Additionally, the relationship of assessment of change in capacity (increase, no change, decrease) and accreditation outcomes (excellent, good, and insufficient) is illustrated.

An analysis of organizational characteristics and organizations completing the pre-test indicates that first time seekers of accreditation demonstrate less capacity in each of the 3 indices of the SOCE, than organizations seeking reaccreditation. This indicates a need for greater capacity in the selected dependent variables for new organizations.

First time accreditation seekers that assess increased post-test capacity had excellent outcomes 50% of the time and good outcomes 40% of the time (10% did not have a decision at the time of this analysis). First time seekers of accreditation that assess no change in capacity had excellent outcomes 33% of the time and good outcomes 67% of the time. Reaccredited organizations had higher rates (than first time seekers of accreditation) with excellent to good outcomes, 71% and 24%, for those assessing increased capacity (5% did not have a decision at the time of this analysis); and higher rates (than first time seekers of accreditation) with excellent to good outcomes, 60% and 40% for those assessing no change in capacity.

For organizations that assess reduced post-test capacity, first time seekers of accreditation had 100% excellent outcomes. In contrast, reaccredited organizations had 54% outstanding outcomes, and 15% good outcomes. However, this group represents the 15% of reaccredited organizations with an insufficient outcome, Deferral/TA, (15% did not have a decision at the time of this analysis).

Finally, organizations seeking reaccreditation had higher rate of excellent outcomes than new seekers of accreditation for organizations that rated post-test capacity as higher or no change. However, for organizations that assess reduced post-test capacity, new organizations had only excellent outcomes while reaccredited organizations had insufficient outcomes. Relative to accreditation, the distribution of organizations' outcomes is skewed towards excellent for each post-test capacity change group (increased, no change, decreased). COA benchmarks (2006, 2007) suggest an expectation that better resembles a bell curve: 10% expected deferral rate (insufficient outcome) for all organizations, a 15% expedite rate for new organizations and a 20% expedite rate for reaccredited organizations (excellent outcome). The majority of organizations are expected to be in the good outcome range. The implications of these findings are in the final recommendations of this chapter.

In summary, the overarching question in this study is: *Is there an association between engaging in the accreditation process and change in organizational capacity?* Question three, of the aforementioned questions, describes the association between accreditation and organizational capacity in terms of organizations' assessment of change in capacity following accreditation. The value for accreditation for organizations is supported by the 59% higher post-test assessment of change in capacity.

Discussion

The findings add to the discussion of organizational capacity and accreditation.

Organizational capacity

The strongest association between the literature, research and practice is with the dependent variables in the indices of Financial Resource Management, Information & Technology Management, and Performance Quality Improvement. Of the organizations with insufficient outcomes, Financial Resource Management and Performance Quality Improvement indices were often the most challenging.

Cultural competency is one of the eight elements of capacity in the literature on capacity instruments (Philliber, 2004), but is not identified in the literature as a nonprofit sector challenge. On the pre-test survey, one item related to cultural competency emerged as a dependent variable: *our organization actively seeks involvement and feedback from community stakeholders with diverse perspectives.* Yet, in the analysis of pre-test associations between organizational characteristics and the SOCE, cultural competency was only significant when embedded in the composite score, not as a free standing item.

Mission/goal (mission clarity) is one of the eight elements of capacity in the literature on capacity instruments (Philliber, 2004), and identified in the literature as a critical nonprofit sector challenge (Oster, 1995; Miller, 2005). However, on the pre-test survey, one item related to mission/goal emerged as a dependent variable. Interestingly, the area of mission clarity that is part of the dependent variables is: *our organization has clearly measurable goals/objectives/outcomes in a written strategic/long term plan.* It is the area of mission most closely linked to performance quality improvement, an area of great challenge for organizations completing the pre-test survey. In the analysis of pre-test associations between organizational characteristics and the SOCE, mission clarity was significant in relation to strategic plan update, CEO tenure and organization revenue.

Accreditation

Pollack (2005) raised the lack of empirical evidence of the value of accreditation as problematic. This study provides the beginnings for articulating the value of accreditation as having an association with organizational capacity. It was anticipated that new organizations would have challenges with accreditation. The pre-test associations between organizational characteristics and SOCE (detailed above) validate this perception. Developmental indicators and practice wisdom described earlier in this study noted the following:

> Accreditation is a time intensive process, particularly for organizations that are in their early stages of developing, new to accreditation, and/or without a developed infrastructure. The standards may be a stronger fit for organizations that are developmentally “middle age” or what Light (2004) refers to as the intentional and robust nonprofit. New, developing organizations establishing systems and infrastructure can utilize the standards as a technical support tool; yet, it is challenging for such organizations to demonstrate implementation of the standards in a timely manner (p.77).

Reaccredited organizations did have higher excellent outcomes for those groups that rated post-test capacity as increased or no change, than new organizations. Reaccredited organizations have some advantages that their new counterparts may not; they are more likely to belong to alliances or member organizations with strong ties to accreditation. These ties translate into an intraorganizational culture with shared expectations, or an informal mandate that favors working towards accreditation. Organizations receive varying degrees of support to achieve accreditation and the expectation that they are “on par with” other affiliates.

However, new organizations in these cohorts had excellent outcomes, 50% and 33% respectively, which are solid results. The overall positive outcomes by both cohorts may be attributed to several factors: the use of assessment, the relationship with the COA coordinator and anticipatory accreditation, all worthy of further consideration.

Anticipatory Accreditation

A potentially disturbing finding is the distribution of organizations’ outcomes skewed towards excellent for each post-test capacity change group (increased, no change, decreased). This raises questions as to the rigor and integrity of the standards and the strength of the relationship between assessment of capacity and accreditation outcomes in this study. The extensive standards development process and a content review quickly dispel the idea that the standards lack rigor.

Another potential reason for the skewed distribution of organizations’ outcomes towards excellence for each post-test capacity change group is the concept of *anticipatory accreditation,* described previously as based on Robert K. Merton’s concept of *anticipatory socialization* in his work with medical students (Directory of Sociology, 1998; Encyclopedia of Biographies, 2004).

The use of anticipatory socialization can be applied to organizations seeking accreditation. The fact that an organization subscribes to the philosophy and norms attributed to an accredited organization creates the conditions, or predisposes them to adopt the accreditation standards. Thus, organizations engaged in anticipatory accreditation begin the work of accreditation in the early stages of the process. They begin to meet the standards in advance of accreditation milestones (i.e., self-study, site visit). Consequently, their pre-test assessment indicates a high level of capacity prior to accreditation. Likewise, for these organizations accreditation outcomes can be expected to be excellent or good.

Limitations of the Study

Low post-test response, missing data, lack of generalizability, and controlling for intervening variables are possible limitations in this study.

Low post-test response

Three hundred eighteen organizations completed the pre-test as a normative step of the accreditation process. One hundred and nine organizations submitted the post-test after completing the site visit milestone. However, the length of time between the pre and post- test is lengthy, averaging one year (Chapter 9), thereby reducing the number of organizations available for the post-test. Additionally, not all eligible organizations complete the post –test; motivation is lower to do so, since key accreditation milestones have been met and there are no negative consequences for not completing the post-test capacity assessment.

Incomplete, Missing and Inaccurate data

Incomplete and /or missing data and is a limitation in this study. Additionally, changes in the person within the organization that complete the pre and post-test presents can be a challenge in this study.

Organization representatives did not always complete each question on the Organizational Profile. Three hundred and eighteen organizations submitted pre-test assessments of organizational capacity; however, fifty-three of those organizations did not complete the organizational profiles. The missing organizational profiles reduced the sample of organizations from 318 to 265. Incomplete or missing Organizational Profiles limit the exploration of developmental groupings.

The original pre-test group consisted of 318 nonprofit organizations engaged in accreditation that completed the pre-test AOC. The post-test consists of 109 organizations, 34% of the original sample, on target with the anticipated estimate of ⅓ of the pre-test sample participating in the post-test. Missing data on the post-test assessment reduces the viable sample by 18% (a loss of 20 organizations). The post-test results of twenty organizations (from the 109) were subtracted from the sample due to missing data on their post-test response. Thus, a total of 89 organizations were viable for post-test analyses in the study. This number was further reduced by an outlier, that provided all “4’s” on the pre-test, indicating excellent capacity, and all” 1’s” on the post-test, indicating a rating of –38, an extreme outlier in the decreased post-test capacity group.

Finally, different persons completing the pre and post-test can impact on how capacity after implementing accreditation is assessed and reported. Efforts to control for this limitation to the study are managed by asking the person(s) completing the pre and post-test to identify by position and/or function (Question #75, AOC). Some organization representatives circled all positions that they believe apply to their role. Thus, the researcher is not able to determine whether the same person completed the AOC both times. The most favorable scenario is when the assessment was completed as a team process. The least beneficial condition is when staff turnover creates a different post-test respondent for the organization.

Generalizability

The findings, while important, have limited generalizability. The sample is representative of the range of nonprofit organizations that seek accreditation and provided relevant data for study. However, the sample size is less than half the total number of COA accreditations annually. Sampling attrition is due to organizational readiness and timeline constraints. As noted earlier in this study, the range of time between the pre and post- test varies widely. Some organizations were not at the point in their process (post site visit) to complete the Time ^{2} assessment of capacity within the timeframe to be considered for this study. This can occur if organizations delayed their site visit (because of readiness concerns), or if the organizations entering the process within 6 months of the end date for Time^2 completion. Future studies that expand on this work will require larger samples, for the findings to be generalized.

Intervening variables

Intervening variables include the use of the pre-Commission TA and conditions other than accreditation that impact capacity.

The use of pre-Commission technical assistance (TA) supports a pro-active approach to "front loading" resources to organizations that struggle with implementation. Technical assistance is both an excellent approach to supporting organizations in the accreditation process and an intervening variable in this study.

Other possible contributors to an organization's capacity that occur between the pre and post- test include changes in: funding, organizational priorities and human resources. The study attempts to mitigate these intervening variables. The post-test is requested while the organization's site visit is still a fresh experience, so as to be as close as possible to the organization's experience of implementing the standards. The assessment of organizational capacity provides additional opportunities for organizations to identify intervening variables. Questions numbered 57-67 on the AOC address recent efforts used by organizations to improve performance, efficiency or effectiveness, and the importance of the board, staff, consultants and community in these efforts. However, there was no reliable way to capture the information for statistical analysis.

Data Mining: Strengths and Limitations of the Methodology

Data mining affords the researcher the opportunity to use the rich and available information that is routinely a part of service delivery (Epstein, 2001). The advantages of this research method are access, availability and depth of content. There is no intrusion or risk to the client system, as interviews and other contact are not necessary for the researcher to obtain extensive and useful data. The information derived from data mining offered insight into organizations as they began the accreditation process, and provided the beginning of a developmental framework for understanding organizations' needs. There are examples of statistically significant associations between organizational characteristics and select organizational capacity elements (SOCE) available in organizational case records. Finally, data mining highlighted the importance of the vehicle of accreditation as the key indicator in refining the discussion of accreditation outcomes.

The disadvantage of data mining is the lack of face-to-face contact with client systems. After analyzing the available data, questions arose that would invite further exploration. In this study, a focus group of organizations new to accreditation would assist in differentiating “new to accreditation” from “developmentally new,” and contribute to formulating potential typologies of new organizations. The advantage of focus groups with the three, post-test cohorts (increase capacity, same capacity, less capacity) could provide feedback for use by the accrediting body to support ways to increase capacity, and to understand why, and what factors contribute to the post-test assessment of same or less capacity for some organizations.

Implications for Practice

Assessment

The primary implication for practice, identified in Chapter One, is that organizations will have evidence to seek support and funding to use accreditation as the tool to increase organizational capacity. There are several practical and incremental steps organizations can take based on this study.

Even though assessment of change had a less than pronounced association on accreditation outcomes, assessment may be related to the overall high percentage of good to excellent accreditation outcomes, across the three groups (increase, no change, decrease). Self-assessment was a constant for the three groups. Organizations that engage in the self- assessment process can identify their capacity challenges. Fleming, (2001), identifies the act of assessment as a capacity building activity in and of itself. Assessment allows an organization to review each area of capacity and the corresponding standards against their current policies, procedures and practice. This needs assessment approach facilitates identifying practices that demonstrate implementation of the standards, practices that need enhancement and practices that require development. Organizations that develop plans of action to update their practices in conjunction with the standards create better efficiency and competencies. In fact, this process expands their capacity and best practices. The implication for practice is that organizations can begin to address their capacity development through the use of self-assessment.

Vehicle of Accreditation

The vehicle of accreditation emerged as an important concept and means to discriminate among accreditation outcomes, refining the discussion of accreditation outcomes. Relative to organizational capacity, the accreditation decision is the indicator to measure the association between assessment and accreditation outcome. While the percentage of organizations that gain accreditation at pre-Commission (excellent outcomes) and Commission (good outcomes) are high, this finding highlights the continued and increased need for pre-Commission technical assistance for organizations that are identified at the assessment stage as having vulnerable capacity in critical areas. Likewise, while there will always be a percentage of organizations with insufficient outcomes, targeted technical assistance in the SOCE, particularly financial management and performance quality improvement can be useful. The data in this study revealed organizations that were deferred and needing technical assistance had the greatest challenges in these areas. Thus, an implication for practice is that resources, early technical assistance and training be provided to organizations that identify financial management and performance quality improvement as a challenge.

Accreditation processes

This study provides an in-depth look at the content and processes associated with COA accreditation. The literature highlights the challenges to any accreditation body, specifically time, accountability, cost and value (Pollack, 2005; Weissman, 1980). This study confirms the variability in the process, and the length of the process as issues for consideration. The time between the pre and post-test averaged (Chapter 9) one year. Depending on the vehicle of accreditation, one to six months can be added to the time frame of achieving an accreditation decision. Despite gains in streamlining the accreditation process, the pre and post-test range (intake to site visit) is still lengthy. Further streamlining and alternative means of achieving accreditation should be considered by accrediting bodies.

Organizational capacity

The study identified characteristics that are challenges to an organization's capacity, and critical elements that support organizational sustainability. Empirical information supports Financial Management, Information & Technology, Performance Quality Improvement and Mission Clarity as areas that challenge organizations' capacity. Organizations can become proactive when developing their priorities for resource allocation. Armed with real data, CEO's will be able to work with their Boards and funding sources to invest strategically in resources that will improve capacity.

Implications for Policy

Empirical evidence on the relationship between organizational capacity and organizational effectiveness provide a rationale for supporting a venture philanthropy approach to capacity development. The venture philanthropy model supports a holistic investment in an organization to improve overall effectiveness for the long term. This is the antithesis of the patchwork grant model that short shrifts organizational infrastructure for the sake of program development. The consultants and groups that utilize the venture philanthropy model can add accreditation standards as a means for supporting organizational capacity development in the nonprofit sector.

The nonprofit sector can advocate with government and licensing entities to build in funding to support accreditation for organizations that receive state and federal dollars. Additionally, advocacy to change funding formulas in grants must occur to include support for infrastructure development.

Recommendations for Future Research

The findings of the study provide direction for the future research that can support the agenda of organizational capacity development. The following key areas of note are: 1) the facilitative relationship between the organization and COA coordinator; 2) the impact of development on organizations and potential typologies; and 3) the relationship between organizational capacity and service delivery/client outcomes.

1. The facilitative relationship between the organization and COA coordinator

In clinical practice, the therapeutic alliance between worker and client can be pivotal to the reparative process. Likewise, the facilitative role between the organization and the accreditation coordinator at COA [44] is a worthwhile exploration, particularly as it relates to achieving accreditation outcomes. The focus of this study is capacity and accreditation outcomes. A study of the facilitative relationship and accreditation process may provide data on how this supports capacity. Additionally, addressing the role of the facilitative relationship is a useful aspect of the accreditation process, given the positive accreditation outcomes for organizations receiving Pre-Commission technical assistance.

2. The impact of development on organizations and potential typologies

Differences emerged among organizations based on the organizational characteristics available at the time [1] pre-test. Creating developmental profiles or

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[44] See Chapter 2, p. 34

groupings can differentiate subgroups of new organizations, and organizations at various developmental and life stages. Addressing the developmental stages of organizations as they relate to capacity also requires further exploration. Future studies of developmental profiles are necessary to differentiate, with certainty, subgroups of new organizations and groupings for organizations at other developmental stages. Longitudinal studies or case studies of organizations that illustrate a spectrum of typologies can also provide rich data about organizational development.

3. The relationship between organizational capacity and service delivery/client outcomes

Future studies are needed to extend the equation to explore the relationship between organizational capacity, service delivery and client outcomes. The broader opportunity to expand empirical research on whether well- managed organizations are better positioned to provide quality services are worthy of further exploration. The association between organizational capacity and service delivery is a logical progression from this study.

The premise that well-managed organizations are better-positioned service providers requires additional research. There are organizations with solid services, but poor capacity and resource management. The reverse is also a consideration: organizations with poor service delivery, but solid administrative capacities. Organizational capacity improves effectiveness; studies to determine if and how this extends to service delivery and client outcomes is a meaningful discussion.

Concluding Comments

Disenfranchised communities, oppressed individuals, and vulnerable children and families depend on nonprofit organizations to develop with purpose, have clarity of mission, and the capacity to serve. Capacity building, and accreditation's role in achieving it, can create effective organizations capable of meeting the demands of those who rely on its service.

Appendix A

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ID#

ORGANIZATIONAL PROFILE

ESTABLISHING THE CONTEXT FOR YOUR ORGANIZATION'S ACCREDITATION

IDENTITY AND ACCREDITATION INFORMATION

1. Organization Name:

Today's Date: __ / __ / __ (m m / d d / y y)

2. Address:

3. City: 4. State/Province: 5. ZIP/Postal Code:

6. Country
☐ USA ☐ Canada ☐ UK ☐ Bermuda ☐ Philippines ☐ Other

6.1 If other, please specify:

7. Area Code/Telephone Number: ( ) -

8. Fax: ( ) -

9. Name of the contact person for the accreditation process:

10. Title of contact person:

Instructions: Enter information below for contact person only if different from information entered for questions 1-10.

11. Address:

12. City: 13. State/Province: 14. ZIP/Postal Code:

15. Country
☐ USA ☐ Canada ☐ UK ☐ Bermuda ☐ Philippines ☐ Other

15.1 If other, please specify:

16. Area Code/Telephone Number: ( ) -

17 Fax: ( ) -

18. Email:

19. How long has the organization been providing services?
☐ 12 months or less ☐ Between 6-10 years ☐ Between 15-19 years
☐ Between 1-5 years ☐ Between 11-14 years ☐ More than 20 years

20. What year was the organization established?

21. Is the organization a not-for-profit corporation? ☐ Yes ☐ No

22. Is the organization a for-profit publicly traded corporation? ☐ Yes ☐ No

23. Is the organization a for-profit privately owned corporation? ☐ Yes ☐ No

24. Is the organization currently accredited? ☐ Yes ☐ No

If yes, please check the accrediting body(ies):

		m m / y y
☐ 25.1 COA		
☐ 25.2 CARF	25.2a Expiration date:	/
☐ 25.3 JCAHO	25.3a Expiration date:	/
☐ 25.4 NAEYC	25.4a Expiration date:	/
☐ 25.5 Other Accreditor	25.5a Expiration date:	/

26. If other accreditor is checked, provide name:

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27. Is the organization required/mandated to become accredited? ☐ Yes ☐ No

28. If yes, please indicate the entity requiring the accreditation: *(Check all those that apply)*
☐ 28.1 State Government ☐ 28.2 County/City Government ☐ 28.3 Federal Government ☐ 28.4 Non-Governmental Entity

29. Is the organization required/mandated to be COA-accredited? ☐ Yes ☐ No

30. Is the organization new to the COA process? ☐ Yes ☐ No

31. Is there a specific date by which the organization wants to be accredited? ☐ Yes ☐ No

32. If yes, provide date:

33. Has the organization merged with another organization? ☐ Yes ☐ No

34. If yes, when did this take place? ☐ Within the last 12 months ☐ Between 3-4 years ago
☐ Between 1-2 years ago ☐ More than 4 years ago

35. Has the organization been acquired by another organization? ☐ Yes ☐ No

36. If yes, when did this take place? ☐ Within the last 12 months ☐ Between 3-4 years ago
☐ Between 1-2 years ago ☐ More than 4 years ago

Do any of the following describe the organization? *(Check all those that apply)*

☐ 37.1 Network or Lead/Local Management Entity
☐ 37.2 Federation
☐ 37.3 Community-Based Organization
☐ 37.4 Faith-Based Organization
☐ 37.5 Parent Organization
☐ 37.6 Group Practice
☐ 37.7 N/A

ENVIRONMENT

The organization primarily provides services: *(Check all those that apply)*

☐ 38.1 In more than one state/province
☐ 38.2 Throughout a single state/province
☐ 38.3 In more than one county
☐ 38.4 Throughout a single county
☐ 38.5 Throughout a city
☐ 38.6 Throughout a town
☐ 38.7 In multiple neighborhoods
☐ 38.8 In a single neighborhood

39. The average size of the community(ies) the organization serves is:

☐ 10,000 or less
☐ Between 11,000 - 50,000
☐ Between 51,000 - 250,000
☐ Between 251,000 - 1 million
☐ Greater than 1 million

The organization's primary consumers are: *(Check all those that apply)*

☐ 40.1Children/Youth
☐ 40.2 Families
☐ 40.3 Adults
☐ 40.4 Seriously, Persistently Mentally Ill
☐ 40.5 Physically/Emotionally/Behaviorally /CognitivelyChallenged Individuals
☐ 40.6 New Americans (Immigrants or Refugees)
☐ 40.7 Seniors
☐ 40.8 Native Americans

What are the **three** most frequent languages spoken by the organization's consumers: *(Check **only** three)*

☐ 41.1 English
☐ 41.2 Spanish
☐ 41.3 French
☐ 41.4 Mandarin/Cantonese
☐ 41.5 East Asian (Vietnamese/Laotian/ Khmer/Japanese/Korean)
☐ 41.6 West Asian (Hindi/Urdu)
☐ 41.7 Russian and Eastern European Languages
☐ 41.8 Hebrew
☐ 41.9 Arabic
☐ 41.10 Other

42. If other is checked, please specify:

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Access from the organization's central office and/or major site(s) to the following community resources is: *(Check all those that apply)*

	Within 5-10 miles	Within 11-25 miles	Within 26-50 miles	More than 50 miles away
43.1 Hospital	☐	☐	☐	☐
43.2 Community/Junior College	☐	☐	☐	☐
43.3 College/University	☐	☐	☐	☐
43.4 School of Social Work	☐	☐	☐	☐
43.5 School of Non-Profit Management	☐	☐	☐	☐

GOVERNANCE

44. The organization's governing body has how many members:
☐ Less than 5 ☐ 6-10 ☐ 11-15 ☐ 16-25 ☐ More than 25

45. Does the organization's governing body have "term limits?" ☐ Yes ☐ No

Does the organization's governing body have: *(Check all those that apply)*

46.1 An Executive Committee	☐ Yes	☐ No
46.2 A Finance Committee	☐ Yes	☐ No
46.3 An Audit Committee	☐ Yes	☐ No
46.4 A Nominating and/or Board Development Committee	☐ Yes	☐ No
46.5 HR/Personal Committee	☐ Yes	☐ No
46.6 Other type of committee	☐ Yes	☐ No

47. If other committee is checked, please specify:

48. Does the organization's governing body have a conflict of interest policy? ☐ Yes ☐ No

49. Are the majority of the governing body members representative of the community(ies) served? ☐ Yes ☐ No

50. How many meetings does the governing body hold annually?

☐ One ☐ Two ☐ Three ☐ Four ☐ Five or more

51.How long has the organization's governing body chair served in his/her capacity?

☐ Less than 1 year ☐ Between 1 and 3 years ☐ Between 3 and 8 years ☐ More than 8 years

52. Does the organization have an Advisory Council? ☐ Yes ☐ No

53. If so, are some of the Advisory Council members from the community? ☐ Yes ☐ No

54. Has the organization's mission changed? ☐ Yes ☐ No

55. If yes, when was it last changed? ☐ Within the last 12 months ☐ Between 3-4 years ago ☐ Between 1-2 years ago ☐ More than 4 years ago

56.When was the organization's strategic/long-term plan last revised?

☐ Within the last 12 months ☐ More than 4 years ago
☐ Between 1 and 2 years ago ☐ Not applicable/organization does not have a strategic or long-term plan
☐ Between 3 and 4 years ago

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MANAGEMENT / LEADERSHIP

57. How long has the organization's CEO/Executive Director held this position?

☐ Less than 1 year ☐ Between 3 and 4 years ☐ More than 10 years
☐ Between 1 and 2 years ☐ Between 5 and 10 years

58. Was the CEO/Executive Director a member of the organization's staff prior to assuming this position? ☐ Yes ☐ No

59. What is the highest level of education obtained by the organization's CEO/Executive Director?

☐ Bachelor's Degree ☐ Post Graduate ☐ PhD
☐ Master's Degree ☐ MD/JD ☐ Other

60. If other was checked, please specify the type of degree:

WORKFORCE

61. Number of full-time staff: *(Include paid staff, contractors & volunteers who perform employee functions)*

62. Number of part-time staff: *(Include paid staff, contractors & volunteers who perform employee functions)*

63. What was the size of the organization's staff 2 years ago?

☐ 1-5 ☐ 6-10 ☐ 11-20 ☐ 21-50 ☐ 51-100 ☐ More than 100

FINANCES

64. What was the organization's total revenue for the last fiscal year?

☐ $250,000 or less ☐ Between $2 million and $5 million
☐ Between $250,000 and $500,000 ☐ Between $5 million and $10 million
☐ Between $500,000 and $1 million ☐ Between $10 million and $20 million
☐ Between $1 million and $2 million ☐ More than $20 million

65. Was the organization's income greater two years ago? ☐ Yes ☐ No

66. Was the organization's income less two years ago? ☐ Yes ☐ No

What percentage of the organization's budget comes from:

	5% or less	6-10%	11-20%	21-40%	41-50%	More than 50%
67.1 Fee for service	☐	☐	☐	☐	☐	☐
67.2 Private donations	☐	☐	☐	☐	☐	☐
67.3 State/federal/other 3rd party reimbursements or contracts	☐	☐	☐	☐	☐	☐
67.4 Grants	☐	☐	☐	☐	☐	☐
67.5 United Way	☐	☐	☐	☐	☐	☐
67.6 Investment income	☐	☐	☐	☐	☐	☐

68. Does the organization have a financial audit conducted annually by a certified public accountant? ☐ Yes ☐ No

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INFORMATION & TECHNOLOGY MANAGEMENT

69. What percentage of the staff has access to e-mail in their office/work station?

☐ 10% or less ☐ 11-25% ☐ 26-50% ☐ 51-75% ☐ More than 75%

Does the organization have electronic/computerized systems for any of the following? *(Check all those that apply)*

☐ 70.1 Electronic client case records/files
☐ 70.2 Electronic time and attendance/payroll
☐ 70.3 Electronic Billing/third party reimbursement
☐ 70.4 Client information systems
☐ 70.5 Internal communications (intranet/network/e-mail)
☐ 70.6 Internet

SERVICES

Does the organization provide any of the following services and if so what is the number of programs for each service checked? *(Check all those that apply)*

71.1 Child Welfare (adoption, foster care, family services, etc.)	☐	71.1a	
71.2 Youth Development	☐	71.2a	
71.3 Residential/Group Care	☐	71.3a	
71.4 Behavioral Healthcare (mentally ill, chemical dependency, etc.	☐	71.4a	
71.5 Adult & Community Services	☐	71.5a	
71.6 Employee Assistance	☐	71.6a	
71.7 Opioid Treatment	☐	71.7a	
71.8 Financial Management & Debt Counseling	☐	71.8a	

In what types of environments does the organization deliver services? *(Check all those that apply)*

☐ 72.1At program sites
☐ 72.2 In the home
☐ 72.3 In schools
☐ 72.4 In prisons/jails
☐ 72.5 At community centers
☐ 72.6 Other environment
☐ 72.7 Via the Internet

73. If other environment is checked, please specify:

74. Does the organization collaborate with another organization(s) to provide or receive key administrative functions or services (i.e. human resources, billing, fiscal management, training, or Q/PI)? ☐ Yes ☐ No

75. Are some of the organization's services provided by another organization(s)? ☐ Yes ☐ No

76. Does the organization use contracted individuals to provide services? ☐ Yes ☐ No

What are the challenges facing the organization? *(Check all those that apply)*

☐ 77.1 Adequate finances
☐ 77.2 Governing body member recruitment
☐ 77.3 Recruitment or retention of staff
☐ 77.4 Qualified/competent staff
☐ 77.5 Sufficient number of volunteers
☐ 77.6 Sufficient information management/technology resources
☐ 77.7 Other

78. If other, please describe:

COA thanks you for providing this information.

Appendix B

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Council on Accreditation
Assessment of Organizational Capacity
Private: non-profit and for-profit

ID#

Org. Main Telephone Number:
( ) -

Organization Name:

Today's Date:
m m / d d / y y

	Strongly Agree (4)	Somewhat Agree (3)	Somewhat Disagree (2)	Strongly Disagree (1)	Unsure (9)
Mission and Goal (MG)					
MG1. Our organization's written mission statement reflects our fundamental purpose, quality values, and the people and communities served.	O	O	O	O	O
MG2. Our organization has clearly measurable goals/objectives/outcomes in a written strategic/long term plan.	O	O	O	O	O
MG3. There is agreement across our organization on these goals and objectives.	O	O	O	O	O
MG4. The Executive Director/Chief Executive Officer and senior management provide visionary, effective leadership to our organization.	O	O	O	O	O
MG5. The mission and goals of our organization are responsive to changing community needs.	O	O	O	O	O
MG6. Our organization periodically reviews its programs and services to ensure that they reflect our organization's mission, values, and goals.	O	O	O	O	O
MG7. Our organization is client centered and partners with clients to achieve their desired outcome.	O	O	O	O	O
Governance and Leadership (GL)					
GL8. The goals and objectives of our organization are consistent with our values and mission.	O	O	O	O	O
GL9. Our organization's governing body understands their role .	O	O	O	O	O
GL10. All new governing body members appointed within the last two years hav received orientation, regular training, and information about their responsibilities.	O	O	O	O	O
GL11. Governing body meetings are well attended.	O	O	O	O	O
GL12. Our governing body sets policy within the organization. (NA for privately held organizations with advisory boards)	O	O	O	O	O
GL13. Our Executive Director/Chief Executive Officer or his/her designee is give total authority to manage and lead our organization.	O	O	O	O	O
GL14. Our executive staff/senior management promotes a culture of continuous learning and innovation	O	O	O	O	O
GL15. Our management structure provides regular opportunities for staff input through such mechanisms as staff meetings, questionnaires, suggestion boxes, ope door policies and retreats.	O	O	O	O	O
GL16. Our organization actively identifies and reduces its exposure to risk (ethic legal, financial, and operational).	O	O	O	O	O
GL17. Our governing body, staff, clients, volunteers, key stakeholders and community members provide input into the planning processes and feedback on organizational changes and improvements.	O	O	O	O	O
Fiscal Resource Management (FRM)					
FRM18. Our organization has a detailed annual budget and includes the projected cost of operations into its business decision-making processes.	O	O	O	O	O
FRM19. Our organization has translated priorities and outcomes into budget commitments.	O	O	O	O	O

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	Strongly Agree (4)	Somewhat Agree (3)	Somewhat Disagree (2)	Strongly Disagree (1)	Unsure (9)
FRM20. Budgets and resource needs are shared with board members, staff, and other key stakeholders (NA for privately held organizations).	O	O	O	O	O
FRM21. Our organization has developed contingency plans for responding to potential changes in funding.	O	O	O	O	O
FR22. Our organization has developed a multi-year revenue strategy that address sources of funding and identifies areas where revenues and expenses may not be balanced.	O	O	O	O	O
FRM23. Our organization's reviews its annual audit and uses it to strengthen financial systems and procedures.	O	O	O	O	O
FRM24. Funds are raised in an ethical, legal manner through activities that are consistent with organizational expectations.	O	O	O	O	O
FRM25. Our fundraising program has the staff and resources needed to meet funding goals.	O	O	O	O	O
Human Resource Management (HRM)					
HRM26. Our organization strives to hire staff who are reflective of the community(ies) we serve.	O	O	O	O	O
HRM27. Expectations and job responsibilities are clearly communicated to staff through written job descriptions and annual performance reviews.	O	O	O	O	O
HRM28. Staff clearly understand each other's roles and functions.	O	O	O	O	O
HRM29. Staff are encouraged to work together as a team.	O	O	O	O	O
HRM30. Supervisors actively work with staff to set goals and monitor job performance progress.	O	O	O	O	O
HRM31. Based on input from managers/supervisors/staff our organization provide training and professional development opportunities for staff.	O	O	O	O	O
HRM32. Human resource, including conflict of interest and diversity, policies are place and accessible to staff.	O	O	O	O	O
Information Resource Management (IRM)					
IRM33. We have sufficient information management resources to support the collecting, analyzing and sharing of information across our organization.	O	O	O	O	O
IRM34. Our organization has invested in technology/automated systems and staff that support our information management resource goals.	O	O	O	O	O
IRM35. Information resource management supports quality service delivery at our organization.	O	O	O	O	O
IRM36. Information management systems have increased efficiency and productivity in our organization.	O	O	O	O	O
Community Linkages (CL)					
CL37. Our organization collaborates with individuals and groups in our communit to create integrated, comprehensive and effective services.	O	O	O	O	O
CL38. Our staff is knowledgeable about community resources and supports.	O	O	O	O	O
CL39. Our staff are effective advocates for our clients.	O	O	O	O	O
Cultural Competence (CC)					
CC40. Our organization actively seeks involvement and feedback from communit stakeholders with diverse perspectives.	O	O	O	O	O
CC41. Our organization is strongly aware of the cultural diversity of our target client populations.	O	O	O	O	O
CC42. Our organization takes into account the cultural diversity of client needs ar preferences in planning programs and services.	O	O	O	O	O

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	Strongly Agree (4)	Somewhat Agree (3)	Somewhat Disagree (2)	Strongly Disagree (1)	Unsure (9)
Performance Improvement and Outcomes (PI)					
Identification of outcomes					
PI43. Our organization has identified key outcomes for our programs/clients servi	O	O	O	O	O
PI44. Our organizatin has identified the key processes that are essential to the outcomes for our programs/clients served.	O	O	O	O	O
PI45. Managers and supervisors clearly understand the identified service delivery processes and outcomes measures for which their programs are responsible.	O	O	O	O	O
Data collection					
PI46. Our organization has agreed upon the measures used in assessing progress toward achieving outcomes.	O	O	O	O	O
PI47. Data collection instruments and procedures are in place.	O	O	O	O	O
PI48. Our organization has sufficient resources to measure and track progress toward outcomes.	O	O	O	O	O
Use of data to measure performance and outcomes					
PI49. Our organization regularly assess program effectiveness by reviewing outcome data.	O	O	O	O	O
PI50. Our organization actively assesses programs effectiveness based upon actu performance data/information and established benchmarks.	O	O	O	O	O
PI51. Our organization assesses current performance on outcomes against established benchmarks/ targets.	O	O	O	O	O
Use of information to improve programs					
PI52. We have an organizational wide continuous quality improvement program.	O	O	O	O	O
PI53. Performance information is reported at established time frames to the boa and management staff.	O	O	O	O	O
PI54. Managers and staff regularly use performance data/information to identify opportunities for program/service delivery improvements and improve the quality of their work with clients.	O	O	O	O	O
PI55. Performance data/information is used to identify effective practices and interventions within our organization.	O	O	O	O	O
PI56. Evidence-based practices are continually studied and applied to improve programs/services.	O	O	O	O	O

In the most recent effort of your organization to improve its performance, efficiency or effectiveness, did you use any of the following resources?

	Yes	No	Very Helpful (3)	Somewhat Helpful (2)	Not at all Helpful (1)
57. Council on Accreditation standards and processes	O	O			
57.1 If yes, did you find these resource:			O	O	O
58. Other COA accredited organizations	O	O			
58.1 If yes, did you find these resources			O	O	O
59. Paid external consultants	O	O			
59.1 If yes, did you find these resources			O	O	O
60. Advice from professional colleagues	O	O			
60.1 If yes, did you find these resources			O	O	O
61. Local colleges and universities	O	O			
61.1 If yes, did you find these resources			O	O	O
62. Technical assistance from a Management Support Center	O	O			
62.1 If yes, did you find these resources			O	O	O
63. Training provided through conferences or workshops	O	O			
63.1 If yes, did you find these resources			O	O	O

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In the most recent effort of your organization to improve its performance, efficiency or effectiveness, did you use any of the following resources?

	Yes	No	Very Helpful (3)	Somewhat Helpful (2)	Not at all Helpful (1)
64. Books, manuals, or other written resources	O	O			
64.1 If yes, did you find these resources			O	O	O
65. Web-based resources	O	O			
65.1 If yes, did you find these resources			O	O	O
66. Other national accreditation bodies	O	O			
66.1 If yes, did you find these resources			O	O	O
67. United Way	O	O			
67.1 If yes, did you find these resources:			O	O	O

In the most recent effort of your organization to improve its management or programmatic performance, how important were each of the following?	Very Important (4)	Important (3)	Unimportant (2)	Very Unimportant (1)
68. Board leadership	O	O	O	O
69. Adequate time to devote to the effort	O	O	O	O
70. Adequate funding to devote to the effort	O	O	O	O
71. Effective consultants	O	O	O	O
72. Staff commitment and availability	O	O	O	O
73. Community support	O	O	O	O
74. Externally imposed events/challenges/mandates	O	O	O	O

75. Who at your organization is responsible for providing this information? *(Check all that apply)*

- ☐ CEO/President/ Chief Operations Officer
- ☐ Quality Improvement Manager
- ☐ HR Director/ Manager
- ☐ Management/ Leadership Group Members
- ☐ Accreditation Contact Person
- ☐ Program Director/ Coordinator
- ☐ Other Staff

75.1 If other, provide title: ____________

COA thanks you for providing this information.

Appendix C

CREDIBILITY • INTEGRITY • ACHIEVEMENT

Administration and Management Standards Purpose and Major Concepts

8th Edition Standards, Private Organizations, November 2006

Ethical Practice (ETH)

The organization earns and sustains the public trust through honest, truthful, and responsible transactions, partnerships, and relationships with individuals, communities, providers, businesses, donors, and government entities. Business is conducted and services are delivered in an open and transparent manner, and the organization uses assets exclusively and effectively to serve the purpose for which it was created. A conflict of interest policy prevents the enrichment of insiders and other abuses. Fundraising by individual solicitation from the general public is conducted in an ethical, fiscally responsible manner. The organization prohibits employment-related retaliation against employees and other affiliates who come forward with information about suspected misconduct or questionable practices; an appropriate and confidential channel is available for reporting such information. The organization operates in an honest, ethical, objective manner, and decision-making is guided by professional responsibility as opposed to personal interest. Organizations that participate in or permit research involving service recipients establish the right to refuse to participate without penalty and guarantee participants confidentiality.

Financial Management (FIN)

The organization's financial accountability and viability are achieved through the application of sound financial management practices that accord with legal and regulatory requirements. The governing body, or a designated committee, bears financial responsibility for the budget, financial reviews, fiscal policy, and the executive director's management of fiscal affairs. An internal control environment includes mechanisms for the selection of an audit committee, reviews of audit reports by several persons, and protection of the integrity of the system. The governing body and management assess the organization's financial capacity, risks, and resources needed to provide services. Stable, predictable sources of revenue are reviewed through diversification and balance in funding streams. Planning for the current fiscal cycle is organization-wide and involves key stakeholders. The organization is accountable to its governing body, to the community, and to regulatory bodies for the management of its finances. Positive financial outcomes are achieved through a management system that receives, disburses, and accounts for funds consistent with sound financial practices. Payroll practices comply with federal and state wage and hour laws.

Governance (GOV)

Sound governance increases the organization's viability and sustainability. The organization is legally authorized to operate as a nonprofit organization either incorporated in a state or run as a sub-unit of a religious body, a corporation sole, or a for profit organization. The governing body is sufficiently active, capable, and diverse to guide, plan, and support the achievement of the organization's mission and goals. That mission is responsive to the needs and aspirations of the community and guides the administration and delivery of services. The public is aware of the organization's mission, and the organization remains informed about community needs and strengths. The governing body exercises leadership with a functional, effective structure, through which it carries out distinct leadership responsibilities including policy-making, strategic planning, financial oversight, and the development of community relationships. When investing funds, the organization has controls to ensure the proper management of those investments through a committee set up by the governing body. The executive director effectively collaborates with the governing body, promotes a healthy organizational culture, and oversees and manages the organization's operations.

Human Resources Management (HR)

A stable, qualified workforce contributes effectively and efficiently to consumer satisfaction and positive service delivery. The organization provides an equitable work environment that is supportive of organizational productivity, diversity, and stability. Workforce needs are assessed as part of annual planning. Recruitment and hiring plans are developed by the organization to ensure that enough qualified personnel are available to meet the demands for services. Policies are in place to ensure the organization enjoys a high level of employee satisfaction and retention. Human resources practices are equitable and consistently applied. The organization holds personnel accountable for their work performance and maintains personnel records.

Performance and Quality Improvement (PQI)

An organization-wide Performance and Quality Improvement program advances efficient, effective service delivery and achievement of strategic and program goals. The organization's leadership promotes a culture that values service quality and continual efforts by the full organization, its partners, and contractors to achieve strong performance, program goals, and positive results for service recipients. The infrastructure that supports performance and quality improvement is sufficient to identify organization-wide issues, implement solutions that improve overall productivity, and promote accessible, effective services in all regions and sites. An inclusive approach to establishing performance goals and client outcomes to be measured, the indicators needed, and sources of data used, ensures broad-based support for useful performance and outcomes measurements. A PQI plan describes how valid, reliable, relevant data will be obtained and used on a regular basis, locally and centrally, to further the monitoring of organization performance. Reports, with findings based on improvement efforts, are issued periodically to personnel throughout the organization and provide information useful for improving programs and practice. Staff and stakeholders receive support in the skills and training in the competencies necessary to conduct, participate in, and sustain performance and quality improvement activities.

Risk Prevention and Management (RPM)

Comprehensive, systematic, and effective risk prevention and management practices reduce the organization's risk, loss, and liability exposure. The organization possesses relevant licenses and complies with applicable federal, state, and local laws and regulations. Potential loss and liability are identified and reduced through risk prevention activities and monitoring of potential sources of risk. Medication control and administration is safe and uniform. The organization is adequately insured. The information management system has sufficient capability to support the organization's operations, planning, and evaluation. Electronic and printed information is protected against intentional and unintentional destruction or modification and unauthorized disclosure and use. Case records contain sufficient and accurate information to identify the consumer, support decisions about interventions or services, and document the delivery of services. Service recipients or designated legal representatives can access their case records in a manner consistent with legal requirements. The organization enters into contracts and service agreements with due regard for practices that promote efficient use of resources, and monitors and evaluates the quality of social and human services purchased from another organization.

Appendix D

The Assessment of Organizational Capacity and COA 8th Edition Beta Standards

Assessment of Organizational Capacity	COA Standard	Rating	Notes
Mission and Goal (MG)			
MG1. Our organization's written mission statement reflects our fundamental purpose, quality values, and the people and communities served.	GOV 3, GOV 6.03(a)	S	
MG2. Our organization has clearly measurable goals/objectives/outcomes in a written strategic/long term plan.	GOV 6.03(d), PQI 1.01-	S	See Interpretation for PQI 1
MG3. There is agreement across our organization on these goals and objectives.	GOV 6.02 (b), PQI 1.01, PQI 1.03(b)	S	
MG4. The Executive Director/Chief Executive Officer and senior management provide visionary, effective leadership to our organization.	GOV 8.02	S	
MG5. The mission and goals of our organization are responsive to changing community needs.	GOV 3	S	
MG6. Our organization periodically reviews its programs and services to ensure that they reflect our organization's mission, values, and goals.	GOV 6.03 (d) strategic planning	S	
MG7. Our organization is client centered and partners with clients to achieve their desired outcome.	See service planning in each S section	S	PQI 3.02 - Secondary Standard/Program wide outcomes
Governance and Leadership (GL)			
GL8. The goals and objectives of our organization are consistent with our values andmission.	GOV 3, GOV 6.03a	S	
GL9. Our organization's governing body understands their role.	GOV 2, GOV 5.03, GOV 6	S	
GL10. All new governing body members appointed within the last two years have received orientation, regular training, and information about their responsibilities.	GOV 5.03	S	
GL1 1. Governing body meetings are well attended.	GOV 5.03(a)	I	Broadly indicative of org./ agency practice
GL12. Our governing body sets policy within the organization. (NA for privately held organizations with advisory boards)	GOV 6.04	S	
GL13. Our Executive Director/Chief Executive Officer or his/her designee is given total authority to manage and lead our organization.	GOV 6.07(c)	S	
GL14. Our executive staff/senior management promotes a culture of continuous learning and innovation	PQI 1.02(a), PQI 1.03(a)	I	Broadly indicative of org./ agency practice

Rating Key:
S- AOC question and COA standard are the SAME
P- COA standard PARTIALLY addresses AOC standard
I-COA standard is IMPLIED
N- NO COA standard addresses AOC question

Revised 09/07/06

The Assessment of Organizational Capacity and COA 8th Edition Beta Standards

GL15. Our management structure provides regular opportunities for staff input through such mechanisms as staff meetings, questionnaires, suggestion boxes, open door policies and retreats.	HR 4.01, 4.02, 4.03 (Beta edition)	S	Standards speak to the first section re: input; the remaining concepts are are ways to implement.
GL16. Our organization actively identifies and reduces its exposure to risk (ethical, legal, financial, and operational).	RPM 2.01, GOV 6.08	S	
GL17. Our governing body, staff, clients, volunteers, key stakeholders and community members provide input into the planning processes and feedback on organizational changes and improvements.	PQI 1.02 (e,f), PQI 2.02(d), PQI 3.02, PQI 5.03, PQI 5.05	S	GOV 6.02(b) Implied/Secondary
Fiscal Resource Management (FRM)			
FRM1 8. Our organization has a detailed annual budget and includes the projected cost of operations into its business decision-making processes.	FIN 5	S	
FRM19. Our organization has translated priorities and outcomes into budget commitments.	PQI 2.04(a), FIN 5.01	S	
FRM20. Budgets and resource needs are shared with board members, staff, and other key stakeholders (NA for privately held organizations).	FIN 1(a), FIN 5.02, FIN 6.01	S	
FRM21. Our organization has developed contingency plans for responding to potential changes in funding.	FIN 3, 4	P	
FR22. Our organization has developed a multi-year revenue strategy that addresses sources of funding and identifies areas where revenues and expenses may not be balanced.	FIN 3, FIN 4, FIN 5.02(d)	S	
FRM23. Our organization's reviews its annual audit and uses it to strengthen financial systems and procedures.	FIN 2, FIN 2.0.1, FIN 6.02, 6.03, 6.04	S	
FRM24. Funds are raised in an ethical, legal manner through activities that are consistent with organizational expectations.	ETH 3, FIN 2(d)	S	
FRM25. Our fundraising program has the staff and resources needed to meet funding goals.	ETH 3, GOV 6.05	I	Broadly indicative of org./ agency practice
Human Resource Management (HRM)			
HRM26. Our organization strives to hire staff who are reflective of the community(ies) we serve.	HR 2, HR 3.04 concept not directly addressed	I	(COA Value) demograpics of community and staff

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The Assessment of Organizational Capacity and COA 8th Edition Beta Standards

HRM27. Expectations and job responsibilities are clearly communicated to staff through written job descriptions and annual performance reviews.	HR 3.01, HR 6.02	S	
HRM28. Staff clearly understand each other's roles and functions.		N	(COA Value) Good HR practice
HRM29. Staff are encouraged to work together as a team.		N	(COA Value) Good HR practice
HRM30. Supervisors actively work with staff to set goals and monitor job performance progress.	HR 6.02, TS 3.03(a)	S	Combined together
HRM3 1. Based on input from managers/supervisors/staff our organization provides training and professional development opportunities for staff.	HR 6.02(d)(e), ts 1.02 but nothing re: staff input	S	Staff input is implied
HRM32. Human resource, including conflict of interest and diversity, policies are in place and accessible to staff.	HR 5.02	S	
Information Resource Management (IRM)			
IRM33. We have sufficient information management resources to support the collecting, analyzing and sharing of information across our organization.	RPM 5	S	
IRM34. Our organization has invested in technology/automated systems and staff that support our information management resource goals.	RPM 5.03	P/I	P=related to computer technology I=related to staff support for IT
IRM35. Information resource management supports quality service delivery at our organization.	PQI 4.01	S	
IRM36. Information management systems have increased efficiency and productivity in our organization.	PQI 4.01/RPM 5/ RPM 5.03	S	
Community Linkages (CL)			
CL37. Our organization collaborates with individuals and groups in our community to create integrated, comprehensive and effective services.	GOV 4, GVO 4.01, GOV 4.02	S	
CL38. Our staff is knowledgeable about community resources and supports.	TS 2.07 more in some S sections	S	
CL39. Our staff are effective advocates for our clients.	TS 2.07 and some related S sections	S	
Cultural Competence (CC)			
CC40. Our organization actively seeks involvement and feedback from community stakeholders with diverse perspectives.	PQI 2.0 interp., GOV 2.02, GOV 6.03, TS 2.05	I	
CC41. Our organization is strongly aware of the cultural diversity of our target client populations.	HR 3.01, TS 2.01(b), CR 1.05	P	

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CC42. Our organization takes into account the cultural diversity of client needs and preferences in planning programs and services.	GOV 2.02, HR 3.01	P	
Performance Improvement and Outcomes (PI)			
Identification of outcomes			
PI43. Our organization has identified key outcomes for our programs/clients served.	PQI 3.02, S sections	S	
PI44. Our organizatin has identified the key processes that are essential to the outcomes for our programs/clients served.	Entire PQI section	S	
PI45. Managers and supervisors clearly understand the identified service delivery processes and outcomes measures for which their programs are responsible.	PQI 1.03, PQI 5.02, PQI 6	S	
Data collection			
PI46. Our organization has agreed upon the measures used in assessing progress toward achieving outcomes.	PQI 3.02, PQI 3.03	S	
PI47. Data collection instruments and procedures are in place.	S sections	S	
PI48. Our organization has sufficient resources to measure and track progress toward outcomes.	PQI 6.04 , RPM 5	S	
Use of data to measure performance and outcomes			
PI49. Our organization regularly assess program effectiveness by reviewing outcome data.	PQI 4, PQI 4.01, PQI 4.02(d)	S	
PI50. Our organization actively assesses programs effectiveness based upon actual performance data/information and established benchmarks.	Entire PQI section, S sections	S	
PI51. Our organization assesses current performance on outcomes against established benchmarks/targets.	PQI 5.02	S	
Use of data to measure performance and outcomes			
PI52. We have an organizational wide continuous quality improvement program.	PQI 2.02	S	
PI53. Performance information is reported at established time frames to the board and management staff.	PQI 2.02 (e)	S	
PI54. Mangers and staff regularly use performance data/information to identify opportunities for program/service delivery improvements and improve the quality of their work with clients.	PQI 5.01 - 5.06	S	

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The Assessment of Organizational Capacity and COA 8th Edition Beta Standards

PI55. Performance data/information is used to identify effective practices and interventions within our organization.	Entire section of PQI 5	S	
PI56. Evidence-based practices are continually studied and applied to improve programs/services.	Service Philosophy in S sections	S	Best available evidence of effectiveness

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Appendix E

COA ACCREDITATION: BUILDING ORGANIZATIONAL CAPACITY TO IMPROVE PERFORMANCE AND ACHIEVE POSITIVE OUTCOMES

Logic Model Version 5, March 2006

GUIDING LEADERSHIP PRINCIPLES | **GUIDING PRACTICE PRINCIPLES**

Resource Management	Organizational Performance	Service Interventions	Service Output	Short-term Outcomes	Long-term Impact
Building Capacity		*Improving Service Delivery & Results*			
Implementation of COA Standards	Productivity & Quality Measures	Implementation of COA Standards	Process & Quality Measures	Outcomes Measures	Outcomes Measures
▪ Governance ▪ Human Resource Management ▪ Ethical Practice ▪ Financial Management ▪ Risk Prevention and Management ▪ Performance and Quality Improvement	▪ Effectiveness Relative to Mission[*] ▪ Efficiency Relative to Mission[*+] ▪ Relevance[+] ▪ Financial Viability[+] ▪ Quality and Strength of Strategic Alliances[+] ▪ Organizational Stability/ Sustainability[+] ▪ Inter-System/ Community Linkages	*Service Delivery* *Administration* ▪ Client Rights ▪ Training & Supervision ▪ Service Envrnmt ▪ Behav Support *Services* ▪ MH Services ▪ Shelter Services ▪ Foster Care ▪ Prevention and Support Services ▪ Substance Abuse Services ▪ Proposed JJ standards	▪ Client Satisfaction[#] ▪ Response Time ▪ Number of Clients Served ▪ Rate of Client Engagement ▪ Assessment Completion Time ▪ Frequency of Visits ▪ Achievement of Service Goals	▪ Safety ▪ Permanency ▪ Well-Being ▪ Clinical Status ▪ Functional Status ▪ Housing Stability	▪ Stability of Relationships ▪ Educational Achievement ▪ Integration within the Community ▪ Reduce recidivism

±

EVIDENCE
PRACTICE WISDOM/EXPERT CONSENSUS
ASSUMPTIONS

[*] McKinsey & Company. (2001) *Effective Capacity Building in Nonprofit Organizations* prepared for Venture Philanthropy Partners.
[+] Light, Paul C. (2002) *Pathways to Nonprofit Excellence.* Washington, DC: Brookings Institution Press; *The Evaluation Exchange, Vol. VIII, No. 2,* Fall 2002, p10-11.
± Chinman, Matthew, Pamela Imm, and Abraham Wandersman. (2004) *Getting to Outcomes 2004: Promoting Accountability Through Methods and Tools for Planning, Implementation, and Evaluation.* Santa Monica, CA: The RAND Corporation.
[#] Friedman, M. (1997) *A Guide to Developing and Using Performance Measures in Results-based Budgeting.* Washington, DC: The Finance Project.

Appendix F

Council on Accreditation

Assessment of Organizational Capacity

Phillibr Research Associates

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Executive Summary

Based upon a review of the current literature on organizational capacity and existing measurement approaches, an Organizational Capacity Assessment instrument was developed that incorporated the seven dimensions of organizational capacity most frequently discussed in the literature, plus the dimension of cultural competence. Fifty-four statements were developed to assess these eight dimensions. Capacity scores varied between one and four with a higher number indicating greater capacity.

A sample of 149 organizations who had received technical assistance from the Council on Accreditation were asked to assess the capacity of their organizations. An additional sample of 118 organizations who had contacted COA about technical assistance, but had not followed through, were also sampled. Assessments were received from 64% of the COA served organizations and 31% of those non-served. Data from these organizations were used to validate the Organizational Capacity Assessment Instrument and study the differences between the two types of organizations.

Validity of the Organizational Capacity Assessment Instrument

Tests of internal consistency support the validity and reliability of both the total instrument and each of the eight subscales.

- Reliability of the total scale was .96 and reliability of the eight subscales ranged from .70 to .95.
- Within each subscale, factor analysis revealed a single strong factor. Variances explained by these factors varied from 36% to 74%.
- Correlations between subscales varied from .352 to .768.

Differences between COA Served and Non-served Organizations

Organizations served by COA had significantly higher capacity scores than non-served organizations had.

- Organizations served by COA had an average total capacity score of 3.74 while non-served organizations had an average of 3.52.
- COA served organizations had significantly higher capacity scores on the dimensions of:
  - Mission and Goals
  - Governance and Leadership
  - Fiscal Resource Management
  - Information Resource Management
  - Performance and Outcomes

Table of Contents

Introduction

Accreditation is the process of determining that an organization has sufficient capacity to meet its objectives in a timely and successful manner. This capacity is based upon standards, which reflect a consensus that an organization is able to adequately demonstrate recognized best-practice characteristics in order to succeed in its mission. For any given dimension, sufficient capacity is conceptualized on a continuum from low to high. To be accredited is to meet or exceed these standards. As there is nothing inherent about an organization in order to prove its overall efficacy, reliable and validated scales must be used to measure where an organization falls on this theoretical continuum.

The Council on Accreditation collaborated with Philliber Research Associates to develop an instrument to measure organizational capacity. The project began with a review of the current literature on organizational capacity and the ways in which it is measured. Almost all discussions of organizational capacity include management capacity, fiscal resource management, mission and goals, and community linkages. The majority of discussions also include human resource management, information resources, and program outcomes and evaluation. (See *Measuring Organizational Capacity* by William W. Philliber New York: Council on Accreditation, 2004.)

Based on this review an instrument was developed consisting of subscales for each of these core dimensions of organizational capacity. An additional subscale was added to assess cultural competence. These dimensions include:

- **Mission & Goals** – identifying whether there are values, philosophies, or ideas that provide direction to an organization.
- **Governance & Leadership** – assessing the strength of leadership in terms of decision-making processes and the manner in which roles and responsibilities are carried out.
- **Fiscal Resource Management** – recognizing an organization's ability to raise and manage money.
- **Human Resource Management** – assessing the structures and processes that provide for staff training, development and retention.
- **Information Resource Management** – evaluating an organizations ability to adequately use technology including database management and website development.
- **Community Linkages** – assessing an organization's relationships with other agencies, outreach programs and the community at large in order to effectively deliver services.
- **Cultural Competence** – identifying an organization's ability to successfully serve and monitor various targeted cultural groups through representation and performance among staff members.
- **Organizational Performance & Outcomes** – measuring an organization's capacity to identify outcomes and appropriate measures, collect and manage data, and use data to determine performance and make improvements to organizational structure.

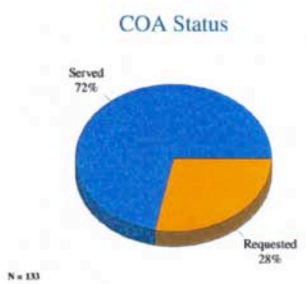
A sample was drawn from 149 agencies who received technical assistance from the Council on Accreditation. Of those agencies, 145 were private and 4 were public. Each agency was contacted by mail, phone, and/or email as many as three times requesting that they complete the capacity assessment instrument and provide some additional information about their organization. A representative who holds a managerial position in each agency was asked to complete the instrument. A total of 96 responses (64%) were received from this group, 96% of which were non-profit. The sample is thus representative of private, non-profit, agencies.

An additional 118 agencies who had contacted COA about technical assistance, but had not followed through, were also sampled. This group provides a basis of comparison to assess how agencies served by COA differ from non-served agencies in terms of their capacity. A total of 37 responses (31%) were received from this group. This response rate is too low to be provide reliable estimates of non-served agencies.

This report summarizes data on the surveys returned by these two groups of agencies.

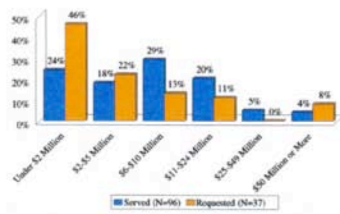
Organization Characteristics

Nearly three-quarters of the organizations that returned the survey have received technical assistance from COA. Over 90% of the responding agencies are non-profit organizations. Ninety-six percent of COA served agencies are not-for-profit organizations.

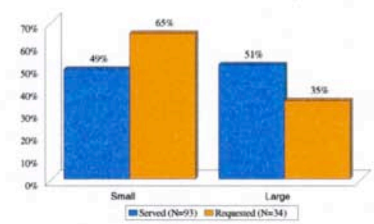


Organizations surveyed have annual revenues ranging from under $2 million to over $50 million. COA served agencies have a median revenue of $6-$10 million, compared to $2-$5 million for non-served agencies. The most frequently reported revenue for agencies served by COA was $6 to $10 million (29%), followed by under $2 million (24%) and $11 to $24 million (19%). A large majority of the non-served agencies reported annual revenues of under $2 million to $5 million (68%).

Annual Revenue by COA Status



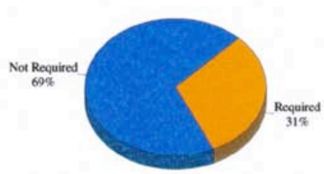
Organization Diversity by COA Status



Organizations were divided into two groups based on the number of programs each agency supported. Small organizations include those agencies supporting 6 programs or fewer and large organizations consisted of 7 or more programs. Half (49%) of the organizations served by COA are small programs, while 65% of those organizations who requested services, but did not follow through, are small.

Only 31% of those organizations who returned surveys are required to be accredited. Of those who are required, 17% have never received COA assistance, while 32% have received it twice. One third of those who do not require accreditation have been served three or more times.

Accreditation Requirement

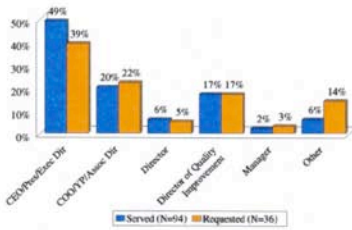


N = 130

Number of Times Served by COA by Accreditation Requirement

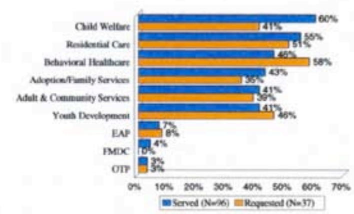
Overall, a majority of the respondents are either presidents/CEOs or vice presidents/COOs.

Position of Respondent by COA Status



Nearly half of the respondents from COA served agencies are presidents of their respective organization and a further 20% are vice presidents. Similarly, 39% of non-served respondents hold presidential posts and 22% are vice presidents. Key informants of served agencies have held their current position for 11 years on average, while their non-served counterparts have held the position for a mean of 4.5 years.

Service Areas by COA Status



Agencies were asked whether they provide services in nine specific service areas. Both served and non-served agencies provide between one and six services for their clients, with an average of three. Thirty percent of served organizations offered one service. Fifty-seven percent of the served agencies provide at least three services. Only 52% of the non-served organizations provide three or more services, with a further 19% offering two. The most frequently reported services offered by served agencies include child welfare (60%), residential care (55%) and behavioral healthcare (46%). Non-served agencies report higher frequencies of behavioral healthcare (58%), residential care (51%) and youth development (46%).

The Organizational Capacity Assessment Instrument

Based upon a review of the current literature on organizational capacity and existing measurement approaches, an Organizational Capacity Assessment instrument was developed that incorporated the seven dimensions of organizational capacity most frequently discussed in the literature, plus the dimension of cultural competence. Fifty-four statements were developed to assess these eight dimensions. Key informants were asked to assess the capacity of their organizations by indicating whether they strongly agreed, somewhat agreed, somewhat disagreed, or strongly disagreed that a statement described their organization. Each statement was scored from one to four, with higher numerical ratings reflecting stronger levels of agreement. Average total and individual subscale scores were computed for each key informant by taking the sum of their responses on each subscale and dividing the total by the number of items that s/he answered (see appendices for specific subscale items).

The results of bivariate correlational analyses show that all average subscale scores are significantly related to one another. In all instances a moderate to strong positive relationship was demonstrated. This indicates that on average, those who rated organizational capacity highly in one domain did so for all domains.

Table 3: Average Organizational Capacity Subscale Score Correlation Matrix

	Mission & Goals	Governance & Leadership	Fiscal Resource Mgmt	Human Resource Mgmt	Info Resource Mgmt	Community Linkages	Cultural Competence	Performance & Outcomes
Mission & Goals								
Governance & Leadership	.768**							
Fiscal Resource Mgmt.	.455**	.572**						
Human Resource Mgmt.	.503**	.620**	.462**					
Information Resource Mgmt.	.523**	.568**	.421**	.625**				
Community Linkages	.419**	.584**	.423**	.626**	.521**			
Cultural Competence	.514**	.617**	.352**	.554**	.498**	.624**		
Performance & Outcomes	.585**	.576**	.454**	.605**	.615**	.483**	.562**	

**Correlation is significant at the 0.01 level.

Scale Reliability

Overall the Organizational Capacity Assessment instrument has a very high degree of internal consistency ($\alpha = .96$). This indicates that respondents interpreted each item in a coherent manner and all items are targeting the intended construct. Subscale alphas ranged from .70 on Fiscal Resource Management to .95 on Organizational Performance and Outcomes, all of which meet or exceed the recommended level of .70.

Table 1: Internal Consistency by Subscale

Subscale	Cronbach Alpha Coefficient
Mission & Goals	$\alpha = .85$
Governance & Leadership	$\alpha = .79$
Fiscal Resource Mgmt.	$\alpha = .70$
Human Resource Mgmt.	$\alpha = .75$
Info. Resource Mgmt.	$\alpha = .81$
Community Linkages	$\alpha = .87$
Cultural Competence	$\alpha = .81$
Organizational Performance & Outcomes	$\alpha = .95$
Total Scale	$\boldsymbol{\alpha = .96}$

Scale Validity

The eight subscales of the assessment instrument were subjected to a series of separate principal component analyses. [1] Prior to performing each analysis the suitability of data for factor analysis was assessed. Sampling adequacy exceeded the recommended value of .60 for each subscale, ranging from .71 on the Information Resource Management and Cultural Competence subscales to a high of .92 on the Organizational Performance and Outcomes subscale. All subscales also met sphericity requirements, indicating adequate factorability of all items.

To aid in the interpretation of the content validity of each subscale, oblique rotations using the Direct Oblimin procedure were performed. Setting the eigenvalues at 1, the rotated solutions for all instruments revealed the presence of a simple structure with all items showing strong loadings on one component for each subscale. The variances explained by these single factor solutions ranged from 36% on the Fiscal Resource Management subscale to 74% on the Cultural Competence subscale (see appendices for factor loadings on each subscale). This indicates that within each subscale there is a single factor uniting the different items; put differently, each subscale is measuring one thing.

Table 2: Percentage of Explained Variance by Subscale

Subscale	Eigenvalue	% of Explained Variance
Mission & Goals	4.0	50%
Governance & Leadership	3.3	41%
Fiscal Resource Management	2.9	36%
Human Resource Management	2.8	46%
Information Resource Management	2.2	73%
Community Linkages	2.4	80%
Cultural Competence	2.2	74%
Organizational Performance & Outcomes	8.6	57%

[1] See R.J. Rummel *Understanding Factor Analysis* (Journal of Conflict Resolution, XI) for an explanation of Factor Analyis.

Capacity Comparisons

A series of independent samples t-tests were conducted to examine whether agencies served by COA differed from non-served agencies on their average overall organizational capacity assessment score as well as on each subscale. Total scale scores ranged between 2.61 and 4.00, with an associated mean value of 3.67, for the entire sample. Agencies served by COA (M=3.74) were found to have significantly higher overall capacity scores, than those not served by COA (M=3.52). Served organizations were also found to have significantly higher average ratings on the Mission and Goals, Governance and Leadership, Fiscal Resource Management, Information Resource Management, and Organizational Performance and Outcomes subscales.

The results of a binary logistic regression in which total capacity score was solely used to predict COA assistance status confirmed the findings of the t-test. Total capacity scores significantly predict COA status at the $p < 0.01$ level, with a 76% correct classification rate. For every one point increase in total capacity score the odds of being a COA serviced agency increase by .122 or 88%.

Table 4: Average Scaled Score Differences by COA Status

	Mission & Goals	Governance & Leadership	Fiscal Resource Mgmt	Human Resource Mgmt	Info Resource Mgmt	Community Linkages	Cultural Competence	Performance & Outcomes	**Total Capacity Scale**
Served	3.85*	3.70*	3.74*	3.81	3.71*	3.84	3.72	3.66**	**3.74****
Requested	3.70	3.55	3.52	3.72	3.43	3.73	3.64	3.32	**3.52**

*Difference is significant at the 0.05 level.
**Difference is significant at the 0.01 level.

Mission & Goals

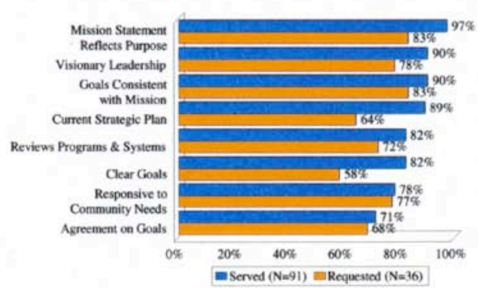
Overall, average Mission and Goals subscale scores ranged from 2.75 to 4.00, with a mean value of 3.81. COA served agencies (M=3.85) had significantly higher total subscale scores than non-served agencies (M=3.70). Items on which the two groups differed significantly were the extent to which their organization has "a mission statement which reflects its fundamental purpose", "a current strategic plan", and "clearly defined goals and objectives". Respondents' views of their senior management team's ability to "provide visionary leadership" approached significance. A higher percentage of served than non-served respondents strongly agreed with each item in the subscale.

Table 5: Mean Mission & Goals Differences by COA Status

	Mission Statement	Current Strategic Plan	Clearly Defined Goals	Agreement on Goals	Consistent w/Philosophy	Visionary Leadership	Responsive to Comm.	Reflect Mission	**Avg. Mission & Goal Score**
Served	3.97*	3.89**	3.82*	3.71	3.90	3.90	3.78	3.82	**3.85***
Requested	3.81	3.56	3.58	3.64	3.83	3.78	3.75	3.69	**3.70**

*Difference is significant at the 0.05 level.
**Difference is significant at the 0.01 level.

Respondents who Strongly Agree with Mission & Goals Statements



Governance & Leadership

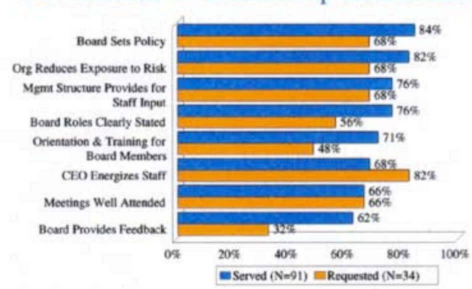
Governance and Leadership subscale scores ranged from 2.38 to 4.00, with an overall mean of 3.66. Agencies served by COA (M=3.70) had significantly higher total subscale scores than non-served agencies (M=3.55). In response to specific items, served respondents (M=3.57) felt that their board of directors did a significantly better job at "providing feedback to the organization" than non-served respondents (M=3.15). Similarly, served agencies (M=3.68) believed that their board member received significantly more training than non-served agencies (M=3.32).

Table 6: Mean Governance & Leadership Differences by COA Status

	Roles Clearly Stated	Members Receive Training	Meetings Well Attended	Sets Policies in Org.	Energizes Staff	Opportunities for Staff Input	Reduces Exposure to Risk	Org. Provides Feedback	**Avg. Gov. & Leader Score**
Served	3.70	3.68*	3.60	3.79	3.67	3.75	3.82	3.57**	**3.70***
Requested	3.56	3.32	3.63	3.55	3.79	3.65	3.62	3.15	**3.55**

*Difference is significant at the 0.05 level.
**Difference is significant at the 0.01 level.

Respondents who Strongly Agree with Governance & Leadership Statements



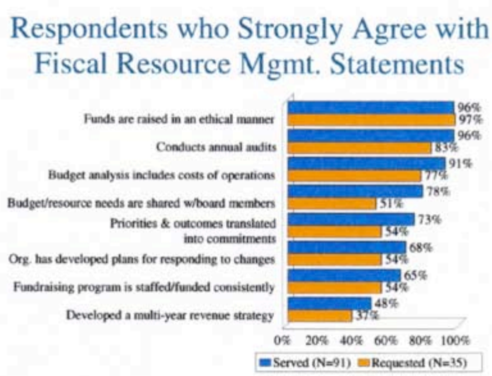
Fiscal Resource Management

Served organizations (M=3.74) had significantly greater total Fiscal Resource Management subscale scores than non-served organizations (M=3.52). The two groups differed significantly in their responses to three specific items. Served respondents reported significantly higher levels of agreement in terms of their organization's "production of a detailed budget analysis including projected costs of operations", ability to "translate priorities into budget commitments" and ability to "share budgetary and resource needs within their agency".

Table 7: Mean Fiscal Resource Mgmt. Differences by COA Status

	Detailed Budget Analysis	Budget Commitments	Shared Budgets & Resources	Response to Funding Changes	Multi-year Revenue Strategy	Audits Strengthen Financial Systems	Funds Raised Ethically	Funding Programs Consistent w/ Expectations	**Avg. Fiscal Resource Score**
Served	3.91*	3.73*	3.78*	3.67	3.38	3.96	3.92	3.45	**3.74***
Requested	3.63	3.40	3.37	3.37	3.20	3.71	3.97	3.19	**3.52**

*Difference is significant at the 0.05 level.



Human Resource Management

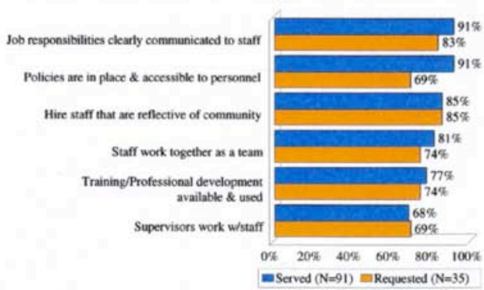
Average Human Resource Management subscale scores did not differ by service status. Overall scores ranged from 2.67 to 4.00, with an average of 3.79. A significant difference was found by COA service status with regard to respondents' view of their agency's handling of "human resource, conflict of interest and diversity policy issues". Ninety-one percent of served respondents believed that their organization deals strongly with such policy issues, while only 69% of non-served respondents answered in the same manner.

Table 8: Mean Human Resource Mgmt. Differences by COA Status

	Staff Reflective of Community	Job Responsibilities Clearly Communicated	Staff Works as Team	Supervisors Work w/ Staff	Training & Professional Development Utilized	Policies to Aid Staff	**Avg. Human Resources Score**
Served	3.82	3.88	3.81	3.68	3.75	3.90*	**3.81**
Requested	3.85	3.77	3.74	3.66	3.66	3.69	**3.72**

*Difference is significant at the 0.05 level.

Respondents who Strongly Agree with Human Resource Mgmt. Statements



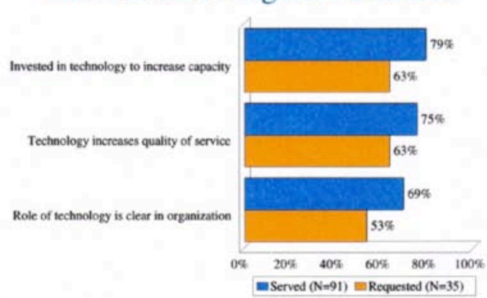
Information Resource Management

Information Resource Management subscale scores ranged from 1.67 to 4.00, with an associated mean of 3.63. COA served agencies (M=3.71) had significantly higher average subscale scores than non-served agencies (M=3.43). Answers also differed significantly in respondents' views of "the role technology plays in the clarity of their organizations' service delivery, information sharing and communication systems" and the "impact of technological investments in increasing their organization's capacity".

Table 9: Mean Info. Resource Mgmt. Differences by COA Status

	Role of Technology is Clear	Technology Investments Increase Capacity	Technology Increases Quality of Services	**Avg. Information Resource Score**
Served	3.68*	3.74*	3.71	**3.71***
Requested	3.38	3.37	3.46	**3.43**

Respondents who Strongly Agree with Info. Resource Mgmt. Statements

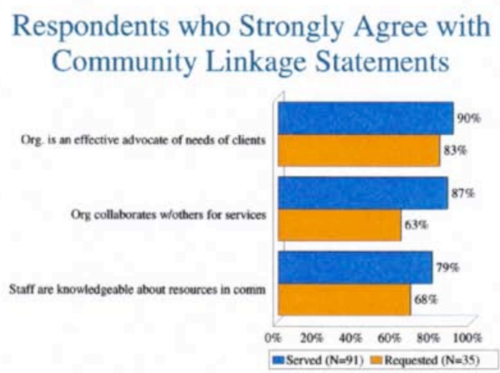


Community Linkage

Total Community Linkage subscale scores ranged between 2.33 and 4.00 (M=3.81). Though served organizations provided higher levels of agreement than non-served organizations, on average, the difference in total subscale scores was not significant. The two groups did, however, differ significantly in regard to their agency's ability to "organize collaborations with others in order to produce comprehensive and effective services". A greater percentage of served respondents strongly agreed with this particular statement (87% vs. 63%).

Table 10: Mean Community Linkage Differences by COA Status

	Comprehensive & Effective Service Collaborations	Staff Knowledgeable about Comm. Resources	Effective Advocate for Client's Needs	**Avg. Community Linkages Score**
Served	3.86*	3.78	3.90	**3.84**
Requested	3.54	3.57	3.74	**3.73**



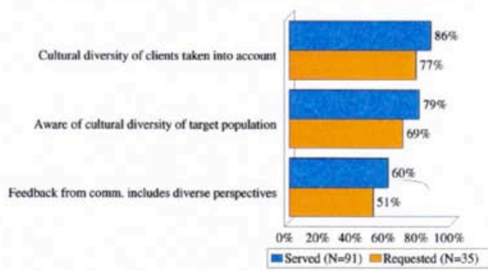
Cultural Competence

Overall, total subscale scores ranged from 1.67 to 4.00, with an associated mean of 3.70. As can be seen in the table below, mean scores did not differ significantly between served and non-served agencies on average, for the total subscale or on any individual item. Greater percentages of COA served respondents, however, rated their organization more favorably on each item in the subscale.

Table 11: Mean Cultural Competence Differences by COA Status

	Diverse Perspectives in Community Feedback	Culturally Diverse Target Population	Cultural Diversity in Programs & Services	**Avg. Cultural Competence Score**
Served	3.56	3.85	3.76	**3.72**
Requested	3.49	3.77	3.66	**3.64**

Respondents who Strongly Agree with Cultural Competence Statements



Organizational Performance & Outcome

Average Organizational Performance and Outcomes scores ranged from 1.47 to 4.00 with an overall mean of 3.56. COA served agencies (M=3.66) had significantly higher total subscale scores than non-served agencies (M=3.32). Served respondents rated eight specific items significantly higher as well, including their organization's ability to "identify critical outcomes", "put data collection instruments/procedures in place", "review data to assess program effectiveness", "put an active continuous quality improvement program in place", "use evidence based practices", "present findings on programmatic issues to their board of directors", "use findings to improve programs" and "use findings to identify effective practices".

Table 12: Mean Performance & Outcome Differences by COA Status

	Identifies Critical Outcomes	Links Service Delivery to Outcomes	Managers Understand Service Delivery Processes	Agrees upon Measures to Assess Outcomes	Data Collection Instruments/ Procedures in Place	Capacity to Assess Progress toward Outcomes	Reviews Data to Assess Effectiveness	Assesses Performance Against Benchmark
Served	3.74*	3.67	3.67	3.66	3.71*	3.63	3.65**	3.42
Requested	3.46	3.34	3.46	3.51	3.43	3.46	3.23	3.23

	Conducts Comprehensive Evaluation of Programs	Quality Improvement Program	Evidence-Based Practices	Findings Presented to Board	Findings Identify Improvement Opportunities	Findings used to Improve Work	Findings used to Identify Practices	**Avg. Org. Performance Score**
Served	3.42	3.42*	3.86**	3.66*	3.75**	3.57	3.59*	**3.66****
Requested	3.23	3.09	3.11	3.29	3.31	3.29	3.20	**3.32**

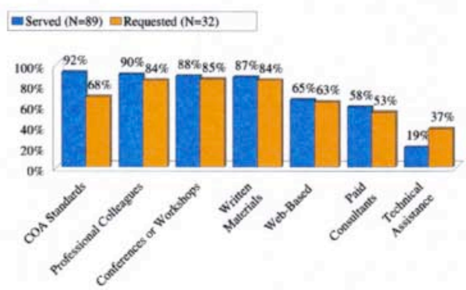
*Difference is significant at the 0.05 level.
**Difference is significant at the 0.01 level.

Organizational Improvement Methods

Respondents were also asked to rate their organizations' most recent efforts to improve the quality of management and programmatic performance. The first section focused on the helpfulness of resources which agencies may have employed in order to increase their ability to perform effective evaluations, while the later part highlights the importance of organizational operations used to improve capacity. Both levels of helpfulness and importance were rated on four-point Likert scales ranging from "1 = not at all" to "4 = very".

Both COA served and non-served respondents used between one and six resources, with an average of three. As can be seen from the chart below, greater percentages of served agencies used all resources with the exception of "the use of technical assistance from a management support center". More frequently reported resources from served respondents include "the use of COA standards and processes" (92%) and "advice from professional colleagues" (90%). The more frequent responses from non-served respondents were "training through conferences or workshops" (85%), "the use of written materials" and "advice from professional colleagues" (84% each respectively).

Resources Used to Improve Capacity

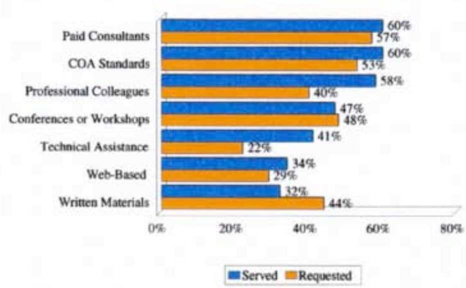


Organizations could have used a variety of resources in their capacity building efforts. They were asked how helpful seven different resources had been in most recent effort. Average helpfulness ratings of combined resources did not differ significantly between both groups of respondents. However, COA served respondents (M=3.43) rated "technical assistance from a management support center" as significantly more helpful than non-served respondents (2.91). Greater percentages of served respondents also rated each resource as "very helpful", with the exception of "training through conferences or workshops" and "the use of written-materials".

Table 13: Mean Resource Helpfulness Scores by COA Status

	COA Standards & Processes	Paid Outside Consultants	Web-Based Resources	Written Resources	Conferences or Workshops	Professional Colleagues	Technical Assistance	**Average Resource Rating**
Served	3.60	3.52	3.32	3.32	3.46	3.59	3.43*	**3.55**
Requested	3.55	2.53	3.26	3.43	3.48	3.43	2.91	**3.48**

Respondents who Rated Resources as Very Helpful

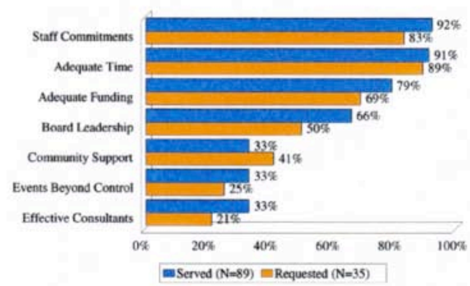


Total as well as specific domain scores assessing the importance organizational operations make towards improving organizational capacity were statistically similar for both groups of respondents. This finding is due to little variation in item response. At least two-thirds of the total sample responded positively to all items on the subscale. On four of the seven items, 92% or more gave "somewhat important" or "very important" ratings. These items include "effectiveness of board leadership", "adequacy of time devoted to effort", "adequacy of funding devoted to effort" and "staff commitment". Larger percentages of served respondents rated each domain as "very important", with the exception of the "level of community support their organization receives".

Table 14: Mean Operational Importance Scores by COA Status

	Board Leadership	Adequate Time	Adequate Funding	Effective Consultants	Staff Commitment	Community Support	Events Beyond Control	**Average Operations Rating**
Served	3.58	3.90	3.72	2.91	3.92	3.04	2.97	**3.44**
Requested	3.35	3.83	3.63	2.85	3.80	2.94	2.78	**3.33**

Respondents who Rated Organizational Operations as Very Important



Discussion and Conclusions

Based upon a review of the current literature on organizational capacity and existing measurement approaches, an Organizational Capacity Assessment instrument was developed that incorporated the seven dimensions of organizational capacity most frequently discussed in the literature, plus the dimension of cultural competence. Fifty-four statements were developed to assess these eight dimensions. Key informants were asked to assess the capacity of their organizations by indicating whether they strongly agreed, somewhat agreed, somewhat disagreed, or strongly disagreed that a statement described their organization. Each statement was scored from one to four, with higher numerical ratings reflecting stronger levels of agreement.

Tests of internal consistency support the validity and reliability of both the total instrument and each of the eight subscales. Reliability measures conducted on the total as well as the eight subscales were high. The total scale produced an alpha of .96 and subscales ranged from .70 on Fiscal Resource Management to a high of .95 on Organizational Performance and Outcomes, all of which are strong levels of internal consistency.

To aid in the interpretation of the scale's content validity, all subscale items were subjected to a series of factor analyses. All subscales revealed strong loadings on a single factor. The variances explained by these factors ranged from 36% on the Fiscal Resource Management subscale to 74% on the Cultural Competence subscale.

Correlational analyses show that subscale scores are significantly related to one another. On average, key informants ranked the organizational capacity or their organization much the same, irrespective of the domain.

Key informants from 96 organizations served by COA and 37 non-served organizations completed organizational assessments. The largest group of key informants are the CEO/president of their respective organizations; half of served and nearly 40% of non-served respondents were CEOs. Key informants of COA served agencies have held their current positions for 11 years on average, while their non-served counterparts have held their positions for a mean of 4.5 years.

Nearly three-quarters of the organizations that returned assessments have received technical assistance from COA. Ninety-six percent of COA served agencies are not-for-profit organizations. The median annual revenue for agencies served by COA was $6-$10 million compared to $2-$5 million for non-served organizations.

Only 31% of those organizations who returned surveys are required to be accredited. Of those who are required, 17% have never been accredited, while one-third of those who do not require accreditation have been accredited three or more times.

Total scale scores ranged between 2.61 and 4.00 with an associated mean value of 3.67, for the entire sample. Organizations served by COA were found to have significantly higher overall capacity scores than those not served by COA. Served organizations were also found to have significantly higher average ratings on the dimensions of Mission and Goals, Governance and Leadership, Fiscal Resource Management, Information Resource Management, and Organizational Performance and Outcomes subscales.

In their most recent effort to improve their organization's assessment capacity, both COA served and non-served agencies used between one and six resources, with an average of three. Greater percentages of served agencies used all resources with the exception of the use of technical assistance from a management support center. While a higher percentage of non-served agencies used technical assistance, served agencies found this resource to be significantly more helpful, on average.

Total as well as specific domain scores assessing the importance organizational operations make towards improving organizational capacity did not differ significantly between the two groups. However, larger percentages of COA served respondents rated each of the items as "very important", with the exception of the level of community support their organization receives.

There are three limitations to the study reported here. First, it is representative of organizations served by COA, but not well representative of other organizations. Although samples were drawn of both types of organizations, only a large enough percentage of COA served organizations responded to regard results with confidence. Two-thirds of sampled COA served organizations completed assessments, but fewer than a third of non-served organizations responded.

Second, the results are representative of private but not public organizations. Only four public organizations were included in the initial sample.

Third, organizations that completed assessments may have greater capacity than organizations that did not respond. The sample of non-served organizations, for example, was drawn from those who had contacted COA but did not follow through with the process. This means that the variation found in this study is probably smaller than the variation that actually exists between organizations. How weaker organizations would respond to this assessment instrument remains unknown.

Appendix A: Organizational Capacity Assessment Instrument

Council on Accreditation
Assessment of Organizational Capacity
Private non-profit

Name of organization: ________________________________

	Strongly Agree	*Some what Agree*	*Some what Disagree*	*Strongly Disagree*
Mission and Goals				
1. The organization has a mission statement that reflects its fundamental purpose, values, and people served.				
2. The organization has a current strategic plan.				
3. The organization has clearly defined goals and objectives.				
4. There is agreement across the organization on the goals and objectives.				
5. The goals and objectives of the organization are consistent with its philosophy and mission.				
6. The Chief Executive Officer (CEO) and senior management team provide visionary, effective leadership to the organization.				
7. The mission and goals of the organization are responsive to changing community needs.				
8. The organization reviews its programs and systems to insure that they reflect the organization's mission, values, and goals.				
Governance and Leadership				
1. The roles of the board members are clearly stated and communicated.				
2. Board members receive orientation, regular training, and information about their responsibilities.				
3. Board meetings are well attended.				
4. The board sets policy within the organization while the Executive Director (ED)/Chief Executive Officer (CEO) is responsible for operations.				
5. The Chief Executive Officer (CEO) and senior management team energize the staff and promote continuous learning.				
6. The management structure provides regular opportunities for staff input through such mechanisms as staff meetings, suggestion boxes, open door polices and retreats.				
7. The organization identifies and reduces its exposure to risk (ethical, legal, and operational).				
8. Board, staff, service recipients, volunteers, key constituents and general members of the community participate in the planning process and provide feedback to the organization.				
Fiscal Resource Management				
1. The organization has a detailed budget analysis that includes projected costs of operations.				
2. The organization has translated priorities and outcomes into budget commitments.				
3. Budgets and resource needs are shared with board members, staff, and volunteers.				
4. The organization has developed plans for responding to changes in funding that emphasize accountability for results.				
5. The organization has developed a multi-year revenue strategy that addresses sources of funding and identifies areas where revenues and spending may be disproportionate.				
6. The organization conducts an annual audit and uses it to strengthen financial systems and procedures.				
7. Funds are raised in an ethical manner through activities that are consistent with legal requirements and organizational expectations.				
8. The fundraising program is staffed and funded at a level consistent with the funding expectations.				

	Strongly Agree	*Some what Agree*	*Some what Disagree*	*Strongly Disagree*
Human Resource Management				
1. The program strives to hire staff that is reflective of the community served.				
2. Expectations and job responsibilities are clearly communicated to staff through written job descriptions and performance reviews.				
3. Staff understand each other's role and functions and are encouraged to work together as a team.				
4. Supervisors work with staff to set goals and monitor progress in job performance.				
5. Training and professional development opportunities are available and used.				
6.Human resource, conflict of interest, and diversity policies are in place and accessible to personnel.				
Information Resource Management				
1. The role of technology is clear in our organization's service delivery, information sharing, and communication systems.				
2. The organization has invested in technology and systems that increase organizational capacity.				
3. Technology increases the quality of service and productivity in the organization.				
Community Linkages				
1. The organization collaborates with others to produce comprehensive and effective services.				
2. Staff are knowledgeable about other resources and support in the community.				
3. The organization is an effective advocate for the needs of its clients.				
Cultural Competence				
1. The organization gains feedback and involvement from the community that includes diverse perspectives.				
2. The organization is aware of the cultural diversity of people in the target population.				
3. The organization takes into account the cultural diversity of clients in planning programs and services.				
Organizational Performance and Outcomes				
Identification of outcomes				
1. The organization has identified critical outcomes for the clients they serve.				
2. The organization has linked service delivery processes to the outcomes it is striving to achieve.				
3. Managers and supervisors understand the service delivery processes and outcomes for which they are responsible.				
Identification of measures				
4. The organization agrees upon the measures to assess progress toward achieving critical outcomes.				
Data collection and analysis capacity				
5. Data collection instruments and procedures are in place.				
6. The organization has the capacity to measure and track progress toward outcomes.				
7. The organization reviews data to assess program effectiveness for various client groups.				
Use of data to measure performance and outcomes				
8. The organization assesses program performance against established benchmarks.				
9. The organization conducts comprehensive evaluations of its programs based upon both performance and outcomes.				
Use of data to improve programs				
10. The organization has an active continuous quality improvement program.				
11. Evidence-based practices are used to develop and revise programs.				
12. Findings are presented to the board and management to focus on programmatic issues.				
13. Findings are used to identify opportunities for program improvement.				
14. Staff use findings to improve their work with clients.				
15. Findings are used to identify effective practices.				

In the most recent effort of your organization to improve its management, performance, or effectiveness, did you use any of the following resources?	*No*	*Yes* ⇨	*If Yes:* Did you find these resources to be:			
			Very helpful	*Some what helpful*	*Not very helpful*	*Not at all helpful*
Council on Accreditation Standards and Processes						
Paid outside consultants						
Web-based resources						
Books, manuals, or other written resources						
Training provided through conferences or workshops						
Advice from professional colleagues						
Technical assistance from a management support center						

In the most recent effort of your organization to improve its management or programmatic performance, how important were each of the following?	*Very important*	*Somewhat important*	*Not too important*	*Not at all important*
Board leadership				
Adequate time to devote to the effort				
Adequate funding to devote to the effort				
Effective consultants				
Staff commitment				
Community Support				
Events beyond your control				

Appendix B: Rotated Factor Loadings

Mission & Goals Subscale

Variable	Factor Loading
Mission statement reflects purpose	.514
Organization has current strategic plan	.670
Organization has clearly defined goals	.809
Agreement on goals & objectives	.678
Goals consistent with philosophy	.788
Senior management provides leadership	.773
Goals are responsive to community needs	.729
Organization reviews programs & systems	.679

Governance & Leadership Subscale

Variable	Factor Loading
Roles of board members clearly defined	.704
Board members receive training	.672
Board meetings well attended	.646
Board sets policy	.458
Senior management energizes staff	.569
Mgmt. provides opportunity for staff input	.672
Org. identifies & reduces exposure to risk	.670
Board provides feedback to organization	.688

Fiscal Resource Management Subscale

Variable	Factor Loading
Detailed budget analysis	.660
Translates outcomes into budget commitments	.819
Budget needs shared with board	.561
Plans for responding to funding changes	.597
Developed multi-year revenue strategy	.679
Conducts annual audit	.566
Funds raised ethically	.425
Fundraising program staffed & funded	.364

Human Resource Management Subscale

Variable	Factor Loading
Program hires staff reflective of community	.565
Job responsibilities clearly communicated	.553
Staff understands each other's roles	.807
Supervisor works w/ staff to set goals	.708
Professional development opportunities available	.684
Diversity policies in place & accessible	.735

Information Resource Management Subscale

Variable	Factor Loading
Role to technology is clear	.857
Organization invests in tech. to increase capacity	.874
Technology increases quality of service	.824

Community Linkages Subscale

Variable	Factor Loading
Org. collaborates w/others to produce services	.926
Staff knowledgeable about community resources	.888
Org. is effective advocate for needs of client	.873

Cultural Competence Subscale

Variable	Factor Loading
Feedback & involvement from community	.825
Org. is aware of cultural diversity in target pop.	.882
Cultural diversity in planning of programs	.873

Organizational Performance & Outcomes Subscale

Variable	Factor Loading
Identifies critical outcomes for clients	.689
Links service delivery to outcomes	.764
Managers understand service delivery	.658
Org. agrees upon measures to assess progress	.678
Data collection & procedures are in place	.718
Capacity to measure & track progress	.687
Reviews data to assess effectiveness of programs	.850
Assesses program performance against benchmark	.765
Conducts comprehensive evaluations of programs	.851
Org. has active quality improvement program	.705
Evidence-based practices used to develop programs	.713
Findings presented on programmatic issues	.761
Findings used to improve programs	.801
Findings used to improve work with clients	.813
Findings used to identify effective practices	.847

Appendix G

CREDIBILITY • INTEGRITY • ACHIEVEMENT

Pre-Commission Review Report

Date: June 19, 2007
Response Due Date: August 21, 2007

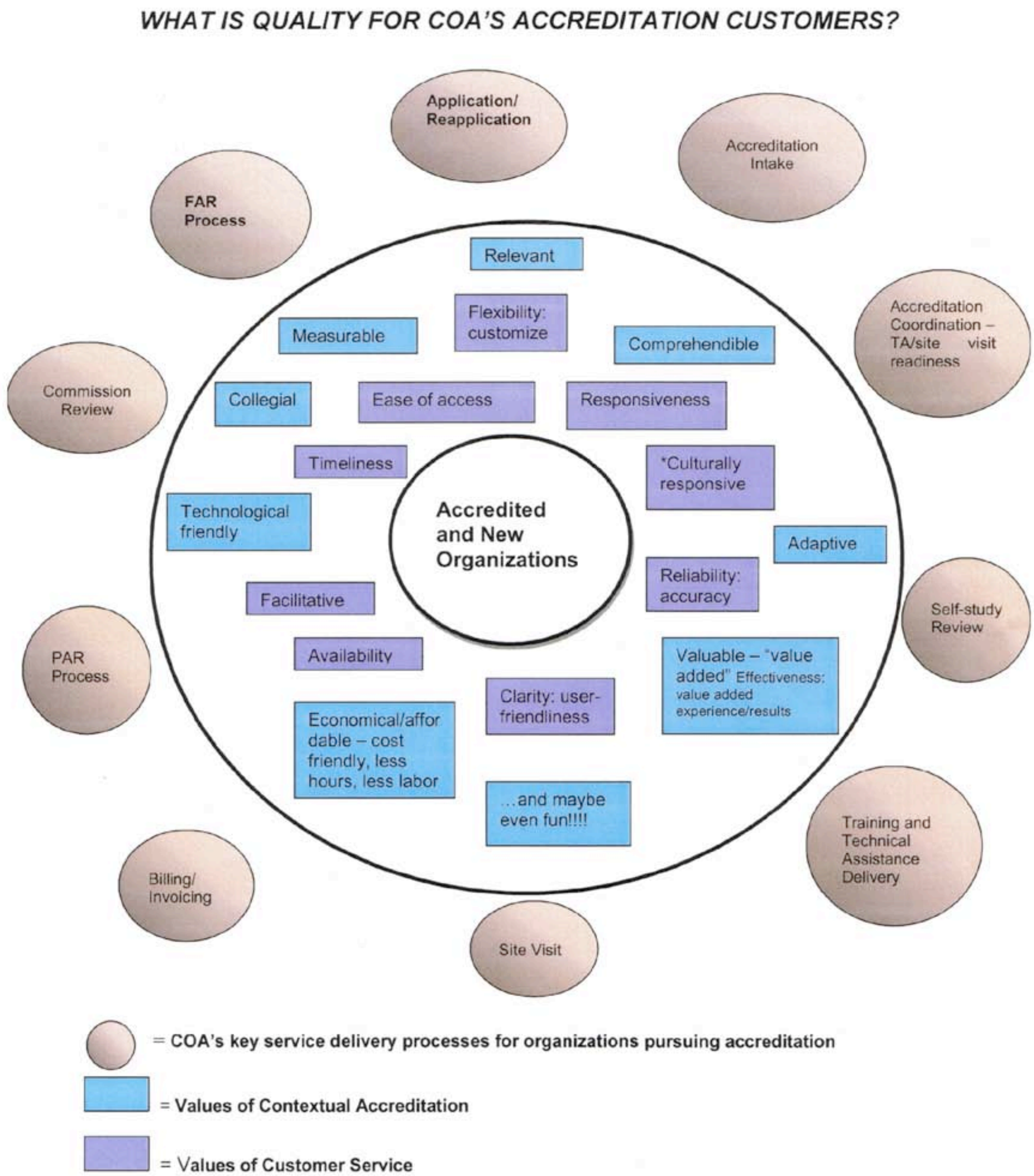
Symbols:

(EL&S) =*Essential Life and Safety*
(H&W) =*Health & Welfare*
(CR) =*Client*

8th Edition

Standard	Rating	*As applicable:* (3) or (4) Core Concept/Essential Life and Safety Justification	COA Implementation Steps Required	Organizations Response
HR	2			
HR 2	4	There is no gap analysis at this time.	☐ Provide reports or other quality/performance improvement data as evidence of the organization's analysis and planning for human resources development and deployment. ☐ Provide Action Plan outlining implementation steps for conducting a gap analysis and determining how to close gaps, per the elements of the standard.	

Appendix H



* Culturally responsive - speaking each COA's organization's unique language (faith based orgs, rural, urban, etc.) and understanding the unique environments/challenges faced by different customer groups (Publics, FMDCs, Privates, Networks, EAPs, and OTPs)

Appendix I

CREDIBILITY • INTEGRITY • ACHIEVEMENT

May 3, 2007

Name
Executive Director
Agency Name
Adress
City, State, Zip Code

Dear (To Whom it May Concern):

Congratulations on your decision to partner with COA to achieve accreditation. This letter marks the start of your accreditation journey!

COA is excited to introduce three readiness assessment tools designed to match your organization with the COA Coordinator best suited to respond to your organizational needs. Please take this opportunity to complete the following forms:

*Organizational Profile (OP) - www.coanet.org/tforms/op.pdf is designed to capture key information about your organization. Organizations seeking accreditation/reaccreditation must complete the Organizational Profile within the next five (5) business days. Note: Once you have completed this form online, please press the submit button at the end of the form. You will see a confirmation that says thank you. This is to ensure that we have received your form through our database.

*The Assessment of Organizational Capacity (AOC) www.coanet.org/tforms/aoc.pdf is an assessment tool to identify the strengths and needs of your organization. The accuracy of your responses will directly influence the COA Coordinator designated to partner with your organization. This tool will be used internally and will not be shared with the peer team assigned to conduct your site visit. Organizations seeking accreditation/reaccreditation must complete the Assessment of Organizational Capacity within the next five (5) business days. Note: Once you have completed this form online, please press the submit button at the end of the form. You will see a confirmation that says thank you. This is to ensure that we have received your form through our database.

*Program Assignment Forms (PAF) www.coanet.org/Files/ProgramAssign.DOC describe the scope of each program your organization provides. This description is used to determine COA service assignments applicable for accreditation. Organizations must complete one Program Assignment form per program within the next five (5) business days. Once completed, please submit your completed PAF's to:

Amelie Maurice, Administrative Coordinator
Via e-mail: amaurice@coanet.org
Via fax: 212-797-1428
Phone: 866-262-8088 ext. 266

COUNCIL ON ACCREDITATION

120 Wall Street, 11th Floor, New York, NY 10005 • toll free: 866-262-8088 tel: 212.797.3000 fax: 212.797.1428 www.coanet.org

A call will be scheduled with your new COA Coordinator upon receipt of the three documents described above. The COA Coordinator will be your organizations facilitator, interpreter, problem-solver and coach throughout the accreditation process. During the initial call, you and your COA Coordinator will discuss the readiness of your organization, establish your accreditation timeline, and determine COA service assignments. Your COA Coordinator will rely on discussions with your organization as well as your responses to the tools we have developed to assess your readiness and organizational needs.

In the interim, take this opportunity to browse www.coastandards.org. The website provides access to COA Accreditation Guidelines, the 8th Edition Standards and My COA - a secure "notebook" tailored with the standards specific to your organization. If you have already registered for MyCOA your account has been activated. **Your User Name is OrgXXXX and your password is OrgXXXX.** *If you have not registered please take this opportunity to do so and your account will be activated in the coming days.* Standards will be provided in your "notebook" upon completion of the initial call with your COA Coordinator. Your COA Coordinator will assist you with any questions you may have regarding our new web based system.

Please contact Amelie Maurice, Administrative Coordinator at our toll free number 866-262-8088 ext. 266 should you have any questions regarding/accessing the requested forms.

Wishing you much success in your accreditation endeavor!

Sincerely,

Karen N. Callender

Karen Callender, LMSW
Associate Director
Accreditation Programs

CREDIBILITY · INTEGRITY · ACHIEVEMENT

Council on Accreditation
120 Wall Street
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New York, NY 10005
212.797.3000
Fax 212.797.1428
www.coanet.org

Dear Colleague:

Congratulations on your progress in the accreditation process!!

We are interested in knowing whether and how implementing the accreditation standards has impacted your organization's capacity to meet its mission. Located in this communication is a hyperlink to COA's Assessment of Organizational Capacity (AOC). Your organization completed this assessment at the beginning of its accreditation process to determine how we could best assist you in meeting your accreditation goal. The primary purpose for COA in collecting this information is to evaluate the value of accreditation for organizations that we serve.

In addition to being an important tool for COA to gage the difference accreditation has made, in the future the AOC results will allow us to provide aggregated information to both new and accredited organizations for the purposes of benchmarking.

Please complete it for a second time. We would appreciate you completing the AOC no later than **5** business days from the date you receive this letter.

The Assessment of Organizational Capacity is located at

http://www.coanet.org/tforms/aoc.pdf

If you have any additional feedback or questions about the AOC, please e-mail bwilliams-gray@coanet.org

Sincerely,

Brenda Williams-Gray

Brenda Williams-Gray
Director of Accreditation Commission

Appendix J

Council on Accreditation
120 Wall Street
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June 29, 2007

Mrs. Brenda Williams-Gray
c/o Council on Accreditation
120 Wall Street
New York, NY 10005

Reference: Research Request

Dear Ms. Williams-Gray:

This letter confirms that the Council on Accreditation (COA) has granted approval to you as the principal investigator to conduct research described in the abstract.

Sincerely,

S/

Richard Klarberg
President & CEO

cc. Kay Powell, IRB Administrator, The Graduate School and University Center of New York, The City University of New York

Appendix K

Office of the Vice President for Research and Sponsored Programs
Committee on the Protection of Human Subjects

The Graduate School and University Center
The City University of New York
365 Fifth Avenue
New York, NY 10016-4309
TEL 212.817.7523 FAX 212.817.1629

July 11, 2007

Ms. Brenda Williams-Gray
School of Social Work

RE: **07-06-1324 Accreditation: as intervention and as a means for expandind organizational capacity for nonprofit human service organizations**

Dear Ms. Williams-Gray:

The Graduate Center IRB has approved the above study involving humans as research subjects. This project is Approved - Exempt Category: 4 - under 45 CFR 46. No further IRB review is necessary unless modifications to the protocol related to human research subjects are proposed.

IRB Number: 07-06-1324 This number is a Graduate Center IRB number that should be used on all correspondence with the IRB regarding this study.

Approval Date: July 5, 2007

Consent Form: If you are using a consent form, all research subjects must use the approved and stamped consent form. You are responsible for maintaining signed consent forms for each research subject for a period of at least three years after study completion.

Mandatory Reporting to the IRB: The principal investigator must report, within five business days, any serious problem, adverse effect, or outcome that occurs with frequency or degree of severity greater than that anticipated. In addition, the principal investigator must report any event or series of events that prompt the temporary or permanent suspension of a research project involving human subjects or any deviations from the approved protocol.

Amendments/Modifications: All amendments/modifications of protocols involving human subjects must have prior IRB approval, except those involving the prevention of immediate harm to a subject. Amendments/modifications for the prevention of immediate harm to a subject must be reported within 24 hours to the IRB.

If you have any questions, please feel free to contact Kay Powell in the IRB Office at

Williams-Gray 07-06-1324

212 817 7525.

Good luck on your project.

Sincerely,

Richard G. Schwartz, Ph.D.
IRB Chair

cc: Irwin Epstein Ph.D.
Social Work/Social Welfare

Sign the Verification Statement below. Return the original signed copy of this letter to the IRB Office and retain a copy for your records. The IRB Office must receive a copy of the signed verification statement before research may begin.

VERIFICATION:

BY SIGNING BELOW, I ACKNOWLEDGE THAT I HAVE RECEIVED THIS APPROVAL AND AM AWARE OF, AND AGREE TO ABIDE BY, ALL OF ITS STIPULATIONS IN ORDER TO MAINTAIN ACTIVE APPROVAL STATUS, INCLUDING TIMELY SUBMISSION OF PROPOSED PROTOCOL MODIFICATIONS, AS WELL AS PROMPT REPORTING OF ADVERSE EVENTS, SERIOUS UNANTICIPATED PROBLEMS, AND PROTOCOL DEVIATIONS. I AM AWARE THAT IT IS MY RESPONSIBILITY TO BE KNOWLEDGEABLE OF ALL FEDERAL, STATE AND UNIVERSITY REGULATIONS REGARDING HUMAN SUBJECTS RESEARCH INCLUDING CUNY'S FEDERALWIDE ASSURANCE (FWA) WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES OFFICE OF HUMAN RESEARCH PROTECTIONS.

7/07

Signature of Principal Investigator — Date

Signature of Faculty Advisor for Student Research — Date

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