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## **UNIT-14 EMPLOYEE CAPACITY BUILDING STRATEGIES**

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### **14.0 LEARNING OUTCOME**

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After reading this unit, you should be able to understand:

- The importance of employee-capacity building strategies
- Objectives of capacity building; and
- Key areas in capacity building;

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### **14.1 INTRODUCTION**

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New facets continue to emerge in governance such as sustainable development, eco- friendly technologies, information technology, etc, which need to be incorporated in organisational functioning. To institute the same, capacity building initiatives are needed. Capacity Building is the development of an organisation's core skills and capabilities such as leadership, management, finance and fund raising in order to build the organisation's effectiveness and sustainability.

Capacity building has two components, organisational and human. Organisational capacity building involves both technical updating of the organisation through periodic reviews and the development of human capital through education and training. Human capacity building is the process of assisting an individual or a group to identify key areas of development and gain necessary insights for fuller exploitation of capacity. Knowledge and experience are needed to solve incident and apprehended problems and implement necessary changes to augment organisational capacity to preempt change as also withstand attendant pressure. To that end, capacity building involves building on the available knowledge base both in technical and human

relations fields. For better exploitation of available resources, continuous review and development needs to be instituted through research and development initiatives (R&D), emphasising the most vital, human resource.

Human Strategies for Human Rights (HSHR) provides capacity building services centering on development of effective, efficient and sustainable physical working conditions for the promotion and protection of human rights. It focuses on two areas of development, the employees of the institution and the organisations' thematic area of work. The objective is to provide training and guidance that facilitates the development of a profession, and ensures transparency and accountability of internal operations and processes with respect to the environment and internal equilibrium of the organisation. There is need to continually update the knowledge and skills of the employees as part of the process of learning and adapting to a changing society.

To realise this objective, the Human Strategies for Human Rights (HSHR) works closely with individuals responsible for the management, fund raising, public relations, accounting, and human resource on operating activities of the organisation.

An organisational capacity building work plan is developed after an HSHR consultant completes an assessment of the organisation's working environment. Training takes place over time and on time as per need, taking cognizance of the realities of the employees' work life in a 'class- room' setting. It is essentially an educative exercise with technical overtones. There is a suggestion of education and training which inform human resource development practices in organisations.

### **Need for External Stimulus**

The Beijing Initiative on APEC Human Capacity Building, held during May 15-6,2001 placed particular stress on the importance of human capacity building (HCB) to ensure that all people benefit from goals set out and through partnership across the widest spectrum of stakeholders to develop the necessary policies and programmes to respond to the HCB challenge.

The role of stakeholders is particularly important in stimulating and also corroborating proposed change. Opinion proffered is a chief determining factor with respect to what is finally accepted and what is not. Specific challenges include stakeholders questioning the traditional mode of working in an organisation, stressing on technological change, change in work processes, specifically, organisation and methods (O&M), decision making practices, strategy formulation, employment practices, education, training and market behaviour. Their significance lies in stimulating positive change through pressure group tactics.

Stakeholders with respect to government administration will include people (clients, customers), social service organisations (civil society), particularly, environmentalists, human rights workers; political parties, farmers and businesses (interest and pressure groups) which impact upon and are in turn impacted by public policy. The 'people' group can be further broken down into the 'articulate' and inarticulate 'publics' in a society. 'Publicness' of public administration demands need articulation with respect to the passive segments of society and incorporation of the same in policy craft. For more democratic policy, public interest articulation through more meaningful participation of civil society would be desirable. Public Interest is understood as *substantive* public interest and *procedural* public interest. While substantive public interest is ensured through better articulation of needs at the formulation stage, procedural public interest is ensured by the process of consultation that precedes policy making. More inclusive the process of consultation, more democratic is the polity. Organisation, which are collectivity of individuals, in order to be effective, efficient and representative need to have constant interaction with all

stake-holders for the purpose of sharing required information, issues of interest to all, especially relating to socio-economic and polity co-administrative policies.

With regard to Civil Services Organisations to be more proactive, it becomes essential that the Organisations have enough financial resources, an innovative civil accounting definition which corresponds to pragmatic financial conditions, adequate and appropriate transparency, especially in organisations engaged in delivering public service, ensuring protection of workers' dignity and their rights to participate in constant interaction amongst themselves as well as with the Management, developing such a vision which is owned by all concerned in the Organisation.

Venkataratnam and Shzuie Tomoda (2005), in their work have referred to the concept of Social Dialogue in Public Service Reform for making Civil Services more proactive. The concept of social dialogue is one of the four strategic objectives of International Labour Organisation for promoting decent work for all (the primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive working conditions of freedom, equity, security and human dignity). This is being achieved through four strategic objectives, namely, by promoting (i) International Labour standards and the fundamental principles and right at work; (ii) Decent Employment and Income opportunities; (iii) Social protection for all; and (iv) Strengthening tri-partism and social dialogue (ILO, 1999).

It goes without saying that through social dialogue, there could be profound success in policy making, citizen requirements in public services etc. The success of social dialogue very much depends on the nature in which social dialogue are formulated. All said and done, every effort must be taken up to see that there are not impositions from the above but are put in place through exchange of ideas and information and by focusing on participatory approach with emphasis on consultation, negotiation and consensus broadly social dialogue, more so in Civil Service include information sharing, public hearings, direct consultation and collective bargaining. Firm and uninstantive cooperation of the Government is very much required for effective social dialogue in Civil Services. Like any other management technique, the process of social dialogue cannot be accomplished unless and until it has favourable and committed stand-point of the Government on its sight for putting it into execution not for the benefit of the organisation, but to that of the civil society organisations, private sectors, non-governmental organisations, interest groups and voluntary associations. Though the process of social dialogue, not only the organisations will be able to achieve its global but would also be in a position to have committed work force by virtue of its participation, and satisfactory citizenry through effective governmental functioning.

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Peoples' participation in governance is the informing and distinguishing virtue of organisations. Specific strategies for employee capacity building in government organisations include;

**Decentralisation:** Decentralisation is more democratic in that decision making is facilitated at the grass roots which involves more people. Services rendered are also more people friendly and more in tune with requirements at the local level and employees are empowered with more authority and better 'choice' in decision making. 'Choice' is widened also for the government by way of cost benefit comparisons in 'choosing' between centralised and decentralised options for

a facility, also involving cost comparisons regarding structure, manpower, inventory etc. Wider participation in policy formation and implementation and thereby, better choice with respect to policy inputs. By creating more 'choice' for all partners involved, that is government, employees and the clientele, decentralisation maximises benefits and minimises cost both in the purely utilitarian and welfare senses.

Delegation: Better resort to delegation makes processes dynamic and improves communications in an organisation considerably. Work is speeded up and top management is relieved of routine functions. Delegation contributes to employee empowerment. For delegation to succeed there has to be increased emphasis on:

- (a) Ethics in governance from the point of view of responsibility and responsiveness; and
- (b) Training to acquire necessary skills to carry out delegated tasks properly. Employee capacity improvement is a natural corollary to delegation.

Quality and Innovation: For better 'effectiveness' at the level of individual organisations, stakeholders need to adopt a new concept of development that stresses on quality and innovativeness to step up capacity building practices. Application of exogenous pressure in the form of interest articulation and lobbying for the same is, therefore, important, especially, in government administration for employee capacity building.

Technical Capacity Building: Technical capacity building in organisations is facilitated through the provision of technical support activities, including coaching, training, specific technical assistance and resource networking. In the present context of the information communication revolution human capacity building involves bridging the digital divide, and in turn, converting "digital divide" into "digital opportunities" so as to benefit all segments of the economy. In the context of e-governance, it is the extent to which the same is pressed for in government administration that will determine procedural efficiency of government administration in the coming years.

Promoting openness and networking of government organisations promotes capacity building. In the U.K, the Citizens Charter contains specific provisions for promoting increased openness about the reasons for decisions taken by the government. In 1988 certain changes were effected in the official secrets act, 1911 to narrow the scope of official information falling within the ambit of the Act. Besides a white paper guaranteeing a statutory right of access to personal records held by the government has also been implemented in April 1994. Canada has an access to information act which gives all Canadian citizens as well as people and corporations present in Canada the right to have access to federal government records that are not of a personal nature. Government of Malaysia has also taken steps to provide for an inclusive policy formation mechanism. Specific measures include publication of reports on public complaints, progress of administrative efforts undertaken by the government etc.

In accordance with the general trend worldwide, towards a more open and transparent government, the right to information act has recently been passed by the legislature in India. Such measures would curtail the growing arena of administrative discretion which has been a point of debate and concern in academic circles and also with practitioners.

Transparency is both external (responsiveness) and internal, with respect to personnel processes. The Fifth Pay Commission has called for clearly defined criteria for all matters concerning promotions transfers, appointments etc of government employees. "Openness shall also extend to resolution of disputes among government servants. Instead of following the official channel of

reporting the grievance, the senior officer should counsel both parties involved in the dispute to arrive at a mutually acceptable settlement. If settlement has not been possible, the two people involved should be 'disassociated' to avoid further interpersonal problems. Lastly, positive relations should be cultivated with the media. Publicity seeking bureaucrats should be punished as per conduct rule in this regard.

As observed in the Fifth Pay Commission report, "We have a centralised system of government that is premised on distrust. Whether it is the, ministry of finance or the ministry of law or the Department of Personnel, the tendency is to centralise decision making. Individual ministries have to refer everything to these nodal ministries. Most important decisions of any consequence are taken either by the cabinet or cabinet committee or the minister or the committee of secretaries." The commission has called for delegation of powers to individual ministries to cut down levels involved and the time taken for arriving at a decision.

### **Management Information System**

The Management Information System is an integrated approach to the design and use of a computer based information system that provides summary information and highlights exceptions for corrective decision making. Readily available and up to date information is a vital requirement for facilitating correct policy making and monitoring and control over various programmes. MIS also enables the management to take concurrent corrective action in ongoing projects

Canada and Malaysia have taken major steps forwarding this direction. In Canada an office of information management systems and technology headed by the chief information officer was created for policy devolution, implementation and administrative reengineering of the existing information systems. In 1994 the Malaysian governments introduced a civil service link (CSL) as an on-line information database system to enable the general public to access information on government services with facility. This was preceded by massive computerisation and strengthened technology base in the management of public services. The ambit of administrative reforms in the United Kingdom included establishment of information systems in the principal areas of government establishment, like personnel records, finance, physical resources and procurement. Integrated approach to MIS was followed so as to share the available information between different government departments. Efficiency units were set up to determine departmental needs and recommended most suitable MIS for different governmental agencies. A body called the Government center for Information Systems was created for promoting effectiveness and efficiency in government through the use of information systems.

Comparatively, Information processing in India has not been systematic. Information technology in government departments is mainly used for document processing, not for decision making or planning for improved organisational effectiveness. Information sharing between departments is not systematic.

Total organisational capacity building involves diversification and expansion of organisations, which evolves out of effective capacity building of the existing resource base and its consequent development. Effective capacity building strategies at micro levels add up at the macro level which results in the development of the economy. Businesses of all sizes from international corporations to micro-enterprises, and family businesses need to enhance their capabilities to participate in and take full advantage of the global economy.

According to Ratnam and Timoda (2005):

For quality public services, the following conditions must be met

- a) adequate funding;
- b) new public accounting definitions that correspond to the realities of financing and managing modern public services;
- c) the right to information and transparency in the public, private and voluntary sectors involved in delivering public services;
- d) respect for workers' rights to enable workers to participate in social dialogue; corruption-free values and norms; investment in organisation and the development of staff;
- e) effective auditing by appropriate legislative bodies and the public as customers and citizens to allow full accountability and feedback for policy formulation;
- f) robust procedures for the disclosure, review and management of conflicts of interest;
- g) a shared vision and coherent framework that links policy and execution, and
- h) a civil service that is more professional, innovative and proactive in its approach.

### **Steps in Capacity Building**

Significant steps in capacity building are studied as follows.

#### **(a) Promoting Overall Human Capacity Building:**

Employee capacity building will not be possible unless the overall human capacity is promoted. It is necessary to emphasise the following activity areas:

- 1) Human capacity building within overall social and economic development strategy, recognising the critical importance of human capital by developing more integrated approaches to capacity building.
- 2) Develop relevant programmes to enhance entrepreneurial and management skills, particularly among small and medium enterprises to meet the new demands from globalisation and the new economy.
- 3) Develop policies to provide needed incentives for the business sector to participate in the development of human capacity building, such as providing facilities and infrastructure ensuring that access is maintained for the development of e-commerce etc.

- 4) Facilitate mutual recognition of professional qualifications in respective countries, which should be based on the standard of achievement and outcomes that are mutually agreed on between economies.
- 5) Enhance industry-academic partnership between businesses as end users of the workforce as well as providers of financial resources, and universities, educational institutions, and vocational training institutions, as suppliers of the workforce, so that they produce an information technology (IT) workforce that is readily available to high-tech businesses.
- 6) Establish mutual linkage between sectoral networks including business, education, training sectors and government to draw out synergy effect to the human capacity – building;
- 7) Encourage trade union to develop and implement relevant training programmes, and motivate and mobilise workers to undertake life long learning.
- (8) Setting up a life-long education and learning society

(b) To build employee capacity on a continued basis, it is felt necessary to set up a life long education and learning society to:

- 1) Establish accessible, wide and multi-dimensional learning networks to empower the whole community.
- 2) Endeavor to convert education and training systems that are more supplier-centric into consumer- oriented systems that are in tune with demands.
- 3) Establish a life-long learning system to ensure pre-employment education continual training and upgrading of knowledge and skills for workers.
- 4) Enhance the skills and responsiveness of government employees to better equip governments to design appropriate policy infrastructure and process in a changing environment, and
- 5) Encourage the opening of education and training facilities, including facilities which transcend national boundaries. (Beijing Initiative; HCB 2001)

### **Strengthening the Managerial and Employee Training:**

Managerial and Employee training need to be strengthened for:

- 1) Developing a package of liberalisation measures to ensure continued open access including various elements of commerce and to;
- 2) Retraining of both employees and employers in developing economies to help them catch up with the requirements of new economy for sustainable growth and equitable development.

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## **14.2 OBJECTIVES OF CAPACITY BUILDING**

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National AHEC Leadership Conference on “Capacity Building Needs and Strategies, held on August 20, 2003 at Portland, had the following agenda:

1. Assessing organisation capacity;
2. Developing capacity building plan;
3. Developing keyboard and management capacities;
4. Building effective collaborations; and;
5. Assessing change management strategies;

The following objectives were articulated by the National AHEC Leadership Conference:

1. Prioritising the areas for improvement;
2. Developing specific outcomes to achieve along with strategies and tactics;
3. Identifying resources required to achieve identified outcomes;
4. Implementing;
5. Evaluating, what worked, what did not and what was learnt in the process;
6. Beginning again including suitable modifications

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## **14.3 SIGNIFICANCE OF CAPACITY BUILDING**

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Through effective capacity building the following merits are gained:

- 1) Optimum utilisation of resources through consistent application of R&D
- 2) Preparation of the organisation to face the future through assessment of prevailing logistics and the wherewithal of augmenting the same.
- 3) Helping the organisation acquire competitive advantage in identified fields.
- 4) Facilitating long-term decisions in the organisation.
- 5) Providing training and guidance to facilitate development of individual careers.



- 6) Developing a database to measure and evaluate the current working capacity of the organisation

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## **14.4 PROCESS OF CAPACITY BUILDING**

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The process of capacity building involves the following activities:

- 1) Preparing information material to promote the organisation's work;
- 2) Developing and implementing job descriptions;
- 3) Developing a formal organisational chart;
- 4) Preparing and maintaining a core operating budget;
- 5) Developing a routine for strategic planning and work plan management;
- 6) Developing fund raising strategies and building a donor database; and;
- 7) Developing a database to measure, trend and evaluate working activities;

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## **14.5 STRATEGIES OF CAPACITY BUILDING**

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The UNDP Capacity 21 Trust Fund works with countries to build national capacities for the implementation of Agenda 21. The agenda includes working with governments, civil society and the private sector. Capacity 21 programmes support the development of integrated, participatory and decentralised strategies for sustainable development. Capacity 21 programmes are country-owned, country-driven processes that support and influence national and local decision-making to build long-term capacities at all levels of the society. Capacity 21 is operational in each of UNDP's 5 regions: Africa, the Arab States, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean. Since 1993, Capacity 21 has worked with over 75 developing countries and countries in transition to adopt innovative capacity-building approaches to address environmental degradation, social inequity and economic decline.

The following principles lie at the heart of Agenda 21 process and are the main building blocks for capacity 21 programme.

- Participation of all stakeholders in programme development, implementation, monitoring and learning.
- Integration of economic, social and environmental priorities within national and local policies, plans and programmes.
- Information about sustainable development to help people make better decisions.

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## 14.6 CONCLUSION

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During the last decade due to changes in the economy all over the world, need has been felt to enhance the capacity of employees in all respects of sustainable development and organisational effectiveness. Its vitality is not only realised by every country in the world and the UNDP has taken up this issue of capacity building of workforce to make them fit the new realities. It leads ultimately the human capacity building activity from the school level to the industry and institutional level. The traditional capabilities are now outdated. Personnel need to be trained to acquire new capacities for the new economies.

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## 14.7 KEY CONCEPTS

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**Equitable Development:** The idea of equitable development implies ‘balance’ in policies with respect to potential impact of measure on any section or aspect of work with a view to achieving ‘strategic fit’ with regard to policies in an organisation. Planning is imminent for achieving desired balance in growth strategies as all aspects or ramifications of the issue at hand have to be appreciated and understood to craft a balanced policy in that particular respect. A measure should not be lopsided.

**Life Long Education:** Employee capacity building is an ongoing and continuous process, which involves learning and development on the part of both the employees of an organisation and the management. Life long education clarifies the implication of employee capacity building in an organisation. Life long education is carried through by means of training and development programmes in organisations and on the job training which is imparted both formally and informally.

**Participation:** Participation is a means of utilising positive social capital inherent in communities or workers in an organisation. Participation makes policies or decisions taken in an organisation more ‘real’ than academic in that felt needs are articulated and policy content becomes meaningful and strategically right.

**Sustainable Growth:** Growth has to be long- term and continuous. To that end, extreme impacts which may make the measure unviable would have to be avoided. Sustenance of growth over a ‘long term period’ is the chief consideration in sustainable growth.

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## 14.8 REFERENCES AND FURTHER READING

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## **14.9 ACTIVITIES**

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1. Discuss the significance and objectives of Employee-capacity Building Strategies.
2. What are the current strategies of capacity building?
3. Explain the significant steps in capacity building.