Classification of Dimensions, Processes, and Outcomes of Organizational Capacity: A Systems Theory Perspective

Mary Beth Chambers, Troy University
Packianathan Chelladurai (Advisor), Troy University

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In recent decades, strategic management scholars have developed an acute interest in researching and understanding the source of organizational capacity practices and a company’s sustained competitive advantage (Zhang, et.al. 2017, Barney, 1991). Scholars in sport management have also examined the idea of organizational capacity and its constructs in organizations of all types and sizes — public, private, non-profit, for-profit, community, governmental, municipal, national, international (e.g., Millar & Doherty, 2016), in an attempt to identify best practice.

From a systems perspective, scholars interpret capacity either as inputs (resources), throughputs (processes), or outputs (outcomes) (e.g., Bourgeois & Cousins, 2013). These varying viewpoints lead to the articulation of differing definitions, identification of various dimensions, listing of different levels and stages of organizational capacity and identification of varying processes of developing organizational capacity (Harsh, 2012; Krishnaveni & Aravamudhan, 2013, Millar & Doherty, 2016, UNDP, 1998). As a result, organizational capacity is a broad concept which has been defined and measured in a myriad of ways (Krishnaveni & Aravamudhan, 2013).

It should also be recognized that context is important when examining organizational capacity. Just as varied as the definitions of organizational capacity are the various contexts in which organizations must exist. This variance in context has been stressed, stating that capacity needs vary among organizations based upon their mission as well as their environment (Millar & Doherty, 2016). Given that the missions and goals of organizations differ considerably, logic tells us that the capabilities required to achieve those differing goals would also vary (Horton, et.al., 2003).

Further, a company’s capacity needs encompass finances, human resources, and managerial processes such as planning, organizing, leading, and infrastructure, etc. (Bryan, 2011). The research recommends identifying specific needs which require attention before strategically moving forward to address such needs (Millar & Doherty, 2016). The differences among these organizations do also suggest that organizational type may also reflect an organization’s resources (or lack thereof) to build organizational capacity.

The purpose of this paper is to review the literature on organizational capacity to articulate the differing perspectives, definitions, dimensions, levels, stages, theories, frameworks, models and metrics propagated by scholars and practitioners, and to forward a framework which integrates these perspectives into a cohesive model. It is a review and synthesis of ideas which have emerged from two primary lines of research in organizational capacity—one which defines and describes the dimensions of organizational capacity, and one which studies the enhancement of organizational capacity. It introduces a classification scheme which juxtaposes dimensions of organizational capacity with the processes of building those dimensions of organizational capacity. By integrating these two lines of research, this model offers a conceptual explanation of how organizational capacity is defined, measured, enhanced, and sustained.