

# Human Capital Capacity Building; the Essence of Organizational Development

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**Abstract:** *Capacity building involves various techniques aimed at equipping individuals with capabilities that enable individuals to solve problems in their ever changing environment and sustain the advances made. The process of capacity building is an interactive process that involves human resource development, organizational development and legal and regulations improvement. As opposed to income policy support, human capital capacity building addresses both short term and long term goals of an organization. This concept can be applied at individual, organizational and society level.*

**Keyword:** Human capital, capacity building, organization development

## 1. Introduction

Various definitions capacity building have been used over the years but they head towards the same direction. Experts, researchers and consultants in human capital capacity building have never arrived at a specific definition due to the wide application of this term. Jane Watson (2013) defines human resource capacity building, "Capacity building is essentially the development of human capital- that can occur at the individual, institutional and society level- enhancing skills and knowledge- to achieve sustainable and measurable results." This definition conquer with the definition that Ali Farazmand (2007) gives describing human capital capacity building as the management process that is aimed at developing resources for present and future use. Capacity building is purposely done to ensure that wealth of individuals is properly managed and aims at attaining equitable distribution of resources among individuals.

## 2. Human Capital Development

Capacity building, human capital development, plays an important role in the development of various societies or individuals. This is the enhancement of the financial abilities if individuals or companies so that they may in a position to run their daily practices efficiently and effectively. Michael Sharraden (2005) argues that capacity building is not income support as many may think though the concepts are complementary. Capacity building is the efforts that are aimed achieving long term growth and development and is important just like current income and consumption. This broad term whatever the application, must be able to balance between the short term and long term development strategies, without being bias to one side. Human capital development is the major type of capacity building and should be considered as the primary theme of the social policy and programs. Capacity building in societies and organizations involve education and development of skills; capabilities to enable them stand the ever changing environment.

In context of organization, capacity building is important in improving the governance, leadership, vision and missions, strategies, administrations and making and implementation of strategic decisions. An organization undertakes various activities and processes in order to achieve the level of being

able to stand the harsh economic periods that are inevitable. It may involve a number of activities such as partnerships and collaborations, diversity, evaluation, change of policy, planning, marketing and positioning. Additionally, it entails education and trainings to increase awareness and knowledge, building confidence in whatever an organization is doing, participating in strategic planning and implementation of the proposed decisions.

## 3. Capacity Building as a Policy

There are elements of capacity building that an organization should consider: Human resource development; organization development; institutional and legal framework development. Human resource is very essential in businesses as it ensures that the employee have the relevant knowledge and skills necessary to undertake processes and operations of the organization effectively and efficiently. It is achieved through equipping them with skills, understanding and knowledge through regular education on the various processes of the organization. Generally it entails ensuring that the organization has skilled labor. Steve Tiesdell and David Adams (2011) states, "Developing skills-type actions may result in the ability to handle and process information better." They further argue that development of skills not only enhance intrinsic abilities but they also the ability to identify and utilize opportunities, execute complicated tasks more easily for the benefit of the organization and their internal and external customers.

Making regulatory and legal changes in an organization helps the organization in formulation and implementation of strategies that defines the objectives and goals to be achieved. There may be some regulations that may be dragging organizations behind, thus calling for reviewing of the existing regulations and thereafter coming up with solutions that can assist in moving the organization ahead. Regulations can be formulated to assist in the implementation and to provide guidance to the leadership of the organization and its processes.

Organization development involves the improvement of relationship within the internal environment as well as with the external environment. Organization development ensures that the existing relationships is maintained or rather improved while at the same time creating useful

relationships with other organizations through collaborations and partnerships, and sectors such as the private, communities and the public sector. These relationships is important in improving the performance of the products/services and brand of the organizations. Therefore, increasing the market share and expansion of the existing market as well as investing in the emerging markets. The achievement of short term and long term goals is enhanced by organization awareness as they address the needs and wants of the customers and stakeholders. Leadership is promoted by organizational development that cultivates quality services and relevance of the products and services of the organization (Steve Tiesdell & David Adams; 2011).

#### 4. Conclusion

The concept of human capacity building generally encompasses a policy action that is geared towards providing skills and capabilities of key players in organizations. Improvement of skills and capabilities can be achieved through training and education programs, continuing professional development programs, seminars and exposing the organization to good organizational practices. The key aspects of human capital capacity building includes the organizational development, human resource development and legal and regulation development. All these aspects are interconnected in order to achieve capacity building.

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