

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

The Effect of Capacity strengthening on Project Performance; The Mediating Role of motivation type among Ethiopian Humanitarian CSOs

Department of Project Management

BY

Meron Bekele Megersa

ADIVISOR: Dr. Abdurezak Mohammed

Date: June 2026

Addis Ababa

The Effect of Capacity strengthening on Project Performance; The Mediating Role of motivation type among Ethiopian Humanitarian CSOs

BY

Meron Bekele Megersa

ADIVISOR: Dr. Abdurezak Mohammed

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Degree of master's in project management

June 2026

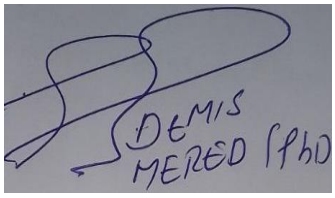
ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF PROJECT MANAGEMENT

This is to certify that the thesis is prepared by Meron Bekele Megersa , entitled: "The Effect of Capacity strengthening on Project Performance; The Mediating Role of motivation type among Ethiopian Humanitarian CSOs" and submitted in partial fulfillment of the requirements for the degree of Masters of Arts in project management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Approved Board Committee:

_____	_____	_____
Advisor	**Signature**	**Date**
_____	_____	_____
Internal Examiner	**Signature**	**Date**
Demes Mered (PhD)		**June 22, 2026**
External Examiner	**Signature**	**Date**

DECLARATION

I, the undersigned declared that this thesis entitled "***The Effect of Capacity strengthening on Project Performance; The Mediating Role of motivation type among Ethiopian Humanitarian CSOs"*** is my own original work. This thesis has not been presented for any other university and is not at the same time submitted in compliance with any other degree. All sources of materials used for this thesis have been properly acknowledged.

Name of Author	**Signature**	**Date**
Meron Bekele Megersa	_____	_____

STATEMENT OF CERTIFICATE

This is to certify that Meron Bekele Megersa has conducted her thesis work entitled ***"The Effect of Capacity Strengthening on Project Performance: The Mediating Role of Motivation Type among Ethiopian Humanitarian CSOs"*** under my supervision. I hereby confirm that the thesis is her original work and is submitted for examination with my approval.

Name of Adviser	**Signature**	**Date**
Dr. Abdurezak Mohammed	_____	_____

ACKNOWLEDGMENTS

First and foremost, I am profoundly grateful to Almighty God for granting me strength, perseverance, and clarity of mind to complete this thesis despite the challenging times I faced. His blessings have been my guiding light throughout this journey.

I would like to express my deepest gratitude to my advisor, Dr. Abdurezak Mohammed, for his invaluable guidance, unwavering support, and constructive feedback throughout the course of this research. Your encouragement and insistence on pushing me to my limits have been instrumental in helping me achieve this milestone.

My heartfelt thanks go to my Family, for their continued support, understanding, and encouragement, particularly my sister Kalkidan during this journey. Your unwavering belief in me and willingness to shoulder responsibilities made this accomplishment possible.

I also extend my sincere appreciation to FIDO, ASDEPO, Hiwot Ethiopa, OWS-dF and DEC staff, for their cooperation in filling out the questionnaires out of their very busy schedule. Your generosity with your time and effort is greatly appreciated.

Special thanks go to Sisay Dejene and Awoke Derese for their who have been contributing a lot for the entire work deserved and supported me to make this paper a success to be acknowledged.

To everyone who played a part in my journey, directly or indirectly, thank you for being a part of this success.

TABLE OF CONTENTS

ACKNOWLEDGMENTS ..... **VI**
TABLE OF CONTENTS ..... **VII**
LIST OF TABLES ..... **X**
LIST OF FIGURES ..... **XI**
ABBREVATION ..... **XII**
ABSTRACT ..... **XIII**
CHAPTER ONE **1**
1. Introduction 1
1.1. Background to Study 1
1.2. Statement of the Problem 4
1.3. Research Questions 5
1.4. Research Objectives 5
1.5. Significant of the study 5
1.6. Limitation of the study 6
1.7. Scope and Delimitation of the study 7
1.8. Organization of the study 7
CHAPTER TWO **9**
2. Literature Review 9
2.1. Theoretical Review 9
2.2. Empirical evidence 25
2.3. Conceptual Framework 29
2.4. Chapter Summary 34
CHAPTER THREE **35**
3. Methodology 35
3.1. Background of the Study Area 35
3.2. Research Design 35
3.3. Research Approach 36
3.4. Target Population 36

3.5. Sampling Method 37
3.6. Method of Data collection 37
3.7. Instruments for Data collection 38
3.8. Method of Data analysis 38
3.9. Validity and Reliability of Data and Instrument 39
3.10. Ethical Considerations 40
CHAPTER FOUR 42
4. RESULTS 43
4.1. Introduction 43
4.2. Response Rate and Sample Description 43
4.3. Descriptive Frequency 44
4.3.1. Respondent's Personal Background 44
4.4. Descriptive Statistics 47
4.4.1. Descriptive Statistics for questionnaires related to Capacity Strengthening 47
4.4.2. Descriptive Statistics for questionnaires related to Types of Motivations 48
4.4.3. Descriptive Statistics for questionnaires related to Project Performance 50
4.5. Inferential Analysis 51
4.5.1. Correlation Analysis 51
4.5.2. Regression Analysis 52
4.5.3. Normality Test 55
4.6. Discussion and Interpretation 59
4.6.1. Effect of Capacity Strengthening on Project Performance 59
4.6.2. Role of Motivation Type in Project Performance 60
4.6.3. Compliance VS Genuine Organizational Improvement 61
4.6.4. Gaps Between Capacity Building and Practical application 61
CHAPTER FIVE 63
DISCUSSION, CONCLUSION AND RECOMMENDATIONS 64
5.1. Introduction 64
5.2. Key Findings 64
5.3. Conclusion 65
5.4. Recommendations 65

5.5. Limitations 65
5.6. Future Studies 66
REFERENCES 67
APPENDIX I 71

LIST OF TABLES

Table 2.1: Evolutionary concept **10**
Table 2.2: Model of Capacity Assessment tool **13**
Table 2.3: Components of Organizational Assessment **16**
Table 2.4: Component of Technical Assessment **17**
Table 2.5: Component of Operational assessment **18**
Table 2.6: Component of Financial Management Assessment **18**
Table 3.1: Reliability Statistics **39**
Table 4.1: Response Rate of Respondents **43**
Table 4.2: Background information of respondents **44**
Table 4.3: Descriptive Statistics of questionaries' responses related to Capacity strengthen **47**
Table 4.4: Descriptive Statistics of questionaries' responses related to Motivation Type **49**
Table 4.5: Descriptive Statistics of questionaries' responses related to Project Performance **50**
Table 4.6: Correlation analysis **52**
Table 4.7: Regression Model with R value **53**
Table 4.8: Regression analysis Model by ANOVA **54**
Table 4.9: Coefficient **54**
Table 4.10: Test of Normality with Kolmogorov Smirnov and Shapiro Wilk **55**
Table 4.11: Descriptive statistics of skewness and kurtosis values **56**

LIST OF FIGURES

Figure 2.1: Conceptual Framework Motivation Type to the relationship between Organizational Capacity Strengthening and Project Performance (Pallas & Nguyen ,2018) 33

Figure 4.1: Histogram representing and Normality test of Capacity strengthening 57

Figure 4.2: Histogram and Normality test representation of Motivation Type 58

Figure 4.3: Histogram and Normality test representation of Project Performance 58

ABBREVATION

ACSO: Authority for Civil Society Organizations

ASDEPO: Action for Social Development and Environmental Protection Organization

CP: Capacity strengthening

DEC: Development of expertise Center

FIDO: Fayyaa Integrated Development Organization

CSO: Civil society Organization

MO: Motivation Type

NGO: Non- Profit organizations

OCA: Organizational Capacity Assessment

OD: Organizational Development

OPI: Organization performance Index

OWS-DF: Organization of welfare and sustainability Development fund

PE: Project Performance

ABSTRACT

This study investigates the effect of organizational capacity strengthening on project performance among Ethiopian humanitarian Civil Society Organizations (CSOs) whether these initiatives extend beyond donor compliance requirements. The research specifically explores how the type of motivation that underlies capacity-building activities affects performance. A quantitative research design with a cross-sectional survey method was employed by purposive sampling of the five local CSOs. Data was collected from 84 respondents using structured questionnaires and it was analyzed using SPSS version 27. Descriptive statistics were used to summarize respondent characteristics and study variables, while correlation analysis and multiple regression analysis were used to assess the relationships among the variables and their predicted effect on project performance. The results showed that both the relationship between capacity strengthening and project Performance, as well as the relationship between motivation and project performance, are positive. The correlation analysis indicated that the type of motivation is associated with the degree to which capacity-strengthening efforts relate to project performance. However, multiple regression analyses demonstrated that the type of motivation has a statistically significant, positive relationship with project performance while capacity-strengthening does not have a significant direct relationship with project performance when controlling motivation type. The study concludes that the effectiveness of capacity-strengthening initiatives depends largely on the initiating motivation driving their implementation of projects. Capacity strengthening alone is insufficient to improve project performance unless it is supported by strong improvement-oriented motivational factors within organizations. Therefore, the study recommends that humanitarian CSOs and Partners design and implement capacity strengthening initiatives that adopt intrinsic organizational commitment and continuous improvement rather than focusing solely on donor compliance requirements.

Keywords: *Capacity strengthening, project performance, motivation type, organizational capacity assessment, Organizational Capacity assessment OCA humanitarian CSOs.*

CHAPTER ONE

1. Introduction

The aim of this chapter is to present the general framework of the study that guided the researcher. It discusses the problems that motivate the researcher to undertake this study and outlines the key research questions that the study aims to address. These questions are designed to meet both the general and specific objectives derived from them. Additionally, the chapter elaborates on the practical and theoretical significance of the study, highlighting its scope and addressing any delimitations encountered during the research.

1.1. Background to Study

Civil society organizations (CSOs) play an increasingly important role in governance and development around the world. In many countries, CSOs have become important actors in the delivery of social services and the implementation of other national development programmes to complement what States sometimes fail to provide to their citizens (Ulanga, 2009). They offer a wide range of services that the government and private sector cannot provide for the community. They play a role in achieving the Sustainable Development Goals (SDGs) in solving global issues to have a sustainable future (Svensson et al. 2018; World Health Organization (WHO) 2015) by providing products and services that benefit their members or the community (Bromley and Meyer 2017; Brown et al. 2019; Shier and Handy 2015).

Civil Society Organizations (CSOs) have evolved significantly in the contemporary development landscape, moving beyond their traditional role as mere implementing partners of donor-funded projects to become recognized as independent development actors (Kiondo, 2004). Their contribution is considered essential to achieving the Sustainable Development Goals (SDGs) through service delivery, research, policy development, advocacy, and by serving as watchdogs that promote government accountability. In recent years, the global localization agenda, particularly following the Grand Bargain of 2016, has emphasized shifting greater power, decision-making authority, and resources to local CSOs. This shift seeks to address the hierarchical and often Western-dominated nature of the international aid system, where influence

and control have historically been concentrated among International Humanitarian Organizations (IHOs).

At the same time, CSOs operate within a complex network of accountability relationships, requiring them to maintain transparency and responsiveness to donors, governments, and the communities they serve. To strengthen effectiveness and accountability, global frameworks such as the Istanbul Principles have been developed to guide CSO practices.

Within the African context, CSOs play a critical role in promoting democratization, poverty reduction, and social development through a combination of advocacy and service delivery. However, their effectiveness is often constrained by institutional, political, and organizational challenges. One of the most significant barriers is limited human and organizational capacity, which affects strategic planning, monitoring and evaluation (M&E), knowledge management, and staff retention (Tandon & Brown, 2013). Furthermore, many African CSOs remain highly dependent on international donor funding, creating a situation of donor dependency that can influence organizational priorities (Tandon & Brown, 2013). This dependence often results in an emphasis on upward accountability to donors rather than downward accountability to local communities, potentially leading to mission drift and reducing the ability of CSOs to address locally identified needs effectively (McKeown & Mulbah, 2007).

According to Clark (2000), the first civil societies emerged in Ethiopia during the 1930s. In Haileselasie and Derg regimes, the expansion of CSO was very slow, with very few international organizations and local associations. The 1995 issued ‘Guidelines for NGO operations’ updated those procedures, outlines major classifications, and defined programmatic areas. During this update, the Ministry of Justice was tasked with registering CSOs while Disaster Prevention and Preparedness Commission (DPPC) was in charge of controlling and monitoring the projects and programs implemented by CSO (Clark, 2000; Sisay, 2016).

In 2009, the country passed a declaration to control the work of CSOs with two objectives one was realize citizens’ constitutional rights to freedom of association; and the second was enhance and strengthen the role of charities in the overall development of Ethiopia (Taskforce on Enabling Environment of Civil Society in Ethiopia, 2011). Nearly a decade later, a new CSP number 1113/2019 came into effect, repealing the first CSP with the hope of opening the civic space (Kelly 2019:4).

These days CSOs are demanded to achieve a high level of project performance to compete for funding or government contracts (Becker et al. 2020; Lall 2017). However, prior research has identified several factors that influence Project performance, such as management practices (Amirkhanyan et al. 2014; Kim and Peng 2018), board directors' characteristics (Dula et al. 2020), government support, leadership (Igalla et al. 2020), and organizational capacity (Gazley et al. 2010; Svensson and Hambrick 2016). Nonetheless, organizational capacity has become at the top of many factors influencing project performance (Cornforth and Mordaunt 2011; Daniel and Moulton 2017). In this perspective, the capacity is dedicated to the programs, services, and operations, such as volunteers, information resources, and collaboration with other players in the same fields (Bryan 2019; Misener and Doherty 2009).

Governments, donors, and NGOs have made significant investments in Capacity strengthening, but the terms are often vaguely defined and operationalized, and impact is difficult to measure. The mechanisms for planning, implementing and evaluating organizational capacity strength can also be dramatically different in practice. The United Nations (UN) dates the first efforts in Capacity strengthening back to the 1950s (UN 1999: 14). However, in those days, Capacity strengthening was mainly focused on improving the institutional infrastructure of developing countries and to improve the ability of development organizations to implement donor-funded projects. Over time, development priorities shifted, and capacity strengthening has become central to localization and accountability (Lusthaus, Adrien & Perstinger, 2013; Horton, 2011).

Numerous CSOs function with limited financial resources and often prioritize immediate project implementations rather than long-term development initiatives. To get around this problem, donors and international partners often tie grant eligibility to an Organization Capacity Assessment (OCA). Policies are also seen as a necessary part of the partnership agreement and a way to make sure that organizations are following the rules. Many CSOs, on the other hand, focus on capacity-building programs to meet donor standards and get funding. Even with these efforts, many CSOs still have trouble carrying out their projects well. For example, they may have to deal with delays, wasting resources, and not being able to keep going. Later, as localization and accountability gain prominence in the nonprofit organization strategies, capacity

strengthening has emerged as a critical necessity for national CSOs in Ethiopia's humanitarian sector.

In resource-constrained and mission-driven CSO environments, motivated staff are more likely to utilize strengthened capacities effectively, while low motivation can limit the impact of capacity development. This implies that motivation may serve as a mediating factor that explains how and why capacity strengthening influences project performance. This study was conducted in five local CSOs namely FIDO, DEC, Hiwot Ethiopia, ASDEPO, and OWS-DF. These organizations were selected based on their years of experience, frequency of OCA tool implementation under international donors, geographical coverage across the North, South, East, and West regions of Ethiopia, and their involvement in implementing large humanitarian grants. The organization works in the thematic sector of Education, health, protection, WASH, food security, CASH and emergency services.

1.2. Statement of the Problem

Existing theories such as Resource-Based Theory (Barney, 1991) and Goal Attainment Theory (Battilana & Dorado, 2010) assume a direct link between organizational capacity and performance but offer little explanation for why similarly capacity-strengthened organizations often perform differently. Self-Determination Theory (Deci & Ryan, 2000) suggests motivation type may be a missing mediating mechanism, yet this link is rarely tested in humanitarian CSO literature (Nordin, Khatibi, & Azam, 2022).

Evidence on the capacity strengthening link is mixed: some studies find a significant positive relationship (Munyigi, Iravo, Rotich, & Moronge, 2024), while others find capacity explains little of the variance in performance (Chematany, 2012; Omondi, 2016). Few studies test motivation type as a mediator, and almost none do so in the Ethiopian context leaving a gap this study addresses

Ethiopian humanitarian CSOs invest heavily in capacity strengthening, often to satisfy donor requirements and qualify for funding rather than to drive internal organizational effectiveness. (Frennesson, Kembro, de Vries, Van Wassenhove, & Jahre, 2021). Although the long-term benefits of capacity building can help persuade funders to invest in these initiatives, postimplementation reviews reveal persistent issues such as project delays, inefficient resource

utilization, and weak sustainability mechanisms. This raises a critical question about the real impact of capacity strengthening on project performance whether it genuinely enhances effectiveness or merely serves as a compliance tool.

1.3. Research Questions

In order to meet the objectives, set, some of the basic questions the researcher tried to answer are:

1. What is the effect of organizational capacity strengthening practice on project performance among Ethiopian humanitarian CSOs?
2. To what degree do capacity strengthening activities motivated by donor compliance versus internal organizational improvement motives?
3. What are the gaps between Capacity Certifications and the application of the acquired capacity in project management and delivery?

1.4. Research Objectives

1.4.1. General Objectives

The main Objective of this study was to examine the effect of organizational capacity strengthening on project performance among Ethiopian humanitarian CSOs and to determine whether these initiatives extend beyond donor compliance to produce meaningful and sustainable organizational improvements.

1.4.2. Specific Objectives

The specific objectives of the study included the following points:

1. To assess the effect of organizational capacity strengthening on project performance.
2. To evaluate whether capacity strengthening efforts are driven by compliance requirements or genuine organizational improvement.
3. To identify gaps between capacity strengthening certification and its practical application in project implementation.

1.5. Significant of the study

The study has significant value for multiple stakeholders within the humanitarian system in Ethiopia.

For Ethiopian Humanitarian National CSOs, the study offered empirical evidence demonstrating the effect of capacity strengthening on CSOs' projects and overall effectiveness as organizations. By identifying the most effective capacity domains and understanding motivation as a mediating factor, this study enables CSOs to prioritize their capacity development strategies and improve project outcomes while building sustainable institutions.

For the Government of Ethiopia and Donors, who serve as primary stakeholders with oversight and support for the National Humanitarian Actors, this study creates awareness of the importance of viewing capacity strengthening in a more holistic fashion than mere compliance with Legal and Donor obligations. This study showed how Organizational Capacity Assessments (OCA) and Organizational Development (OD) interventions affect project performance; and contributed to the creation of institutional resilience and system upgrading. These insights allow Government Agencies and Partnerships to create more effective, sustainable, and appropriate capacity development policies based on the National Priorities for Localization.

The study offered also different organizations and international NGOs insight into collaborative partnership models, capacity development frameworks and Motivation driven capacity utilization.

Additionally, the study was expected to be useful for new researchers and students who wish to contribute academically regarding Capacity Development, Project Performance and Motivation Theory within the Humanitarian/Development Sector which lacks substantial empirical research from Ethiopia.

1.6. Limitation of the study

Due to project staff being on field trip to gather community assessment for upcoming opportunities the sample concentrated in program/operations and senior management roles which may have introduced an implementation-level bias that underrepresents finance, HR, and M&E perspectives, The use of self-reported questionnaire data may introduce common method bias, despite procedural safeguards such as anonymity and confidentiality. The cross-sectional design limits the ability to draw causal conclusions, as it captures relationships at a single point in time rather than tracking change following capacity-strengthening interventions. Finally, the study's exclusive focus on Ethiopian national humanitarian CSOs, excluding international NGOs,

government agencies, and private-sector organizations, restricts the generalizability of the findings beyond this specific context.

1.7. Scope and Delimitation of the study

The study focuses on examining how capacity strengthening enhances project performance in Ethiopian humanitarian civil society organizations (CSOs) and on how the two types of motivation whether capacity-strengthening efforts improve project performance or are merely donor compliance exercises.

The study was geographically and institutionally delimited to five national CSOs operating in Ethiopia's humanitarian sector namely FIDO, Hiwot Ethiopia, ASDEPO, OWS-dF and DEC working across in the thematic sector of Education, health, protection, WASH, food security, and emergency services.

In addition, the study only included those national humanitarian CSOs within Ethiopia with an experience of conducting OCA tool for more than two times, and not include any international NGOs, government agencies or private-sector organizations ensuring that the findings remain specific to national humanitarian CSOs in Ethiopia.

Similarly, the study was delimited to staff directly involved in project implementation and capacity-strengthening activities, rather than external stakeholders such as donors, beneficiaries, or government regulators, since the research questions center on internal organizational motivation and capacity strengthening practice rather than external assessments of CSO performance.

1.8. Organization of the study

This research paper is organized into five respective chapters. Chapter one provided a general introduction to the study focusing on background to the study, problem statements, objectives, scope and significance of the study. Chapter Two provided a literature review based on theoretical and empirical approaches. This chapter provides conceptual definitions; scholarly work in supporting the study. Chapter Three described the research methodology whereby it involves research design, area of study, target population of the study, sample size and sampling

design, data collection methods, data collection tools and data analysis plan. Chapter Four consists of presentation, and discussion of the findings. Lastly is Chapter Five, which provides conclusions, recommendations and a summary of the whole study/ general findings of the study and policy implication.

CHAPTER TWO

2. Literature Review

Having a well-defined strategy enables organizations to address challenges, develop new capabilities, and enhance existing ones, all while striving for improved performance. Strategic decisions are choices organizations make to achieve exceptional performance. In today's dynamic business environment, traditional hierarchical, top-down management approaches have become less effective (Senge, 1990; Stacey, 2007).

This chapter will help develop a connection between different theories which relate to strategic orientation, internal communication, and corporate performance through empirical research. It defines the independent variable (strategic orientation) and the dependent variable (corporate performance) using insights from different theoretical and empirical perspectives. Furthermore, it illustrates how internal communication through elements such as communication skills, channels, and climate acts as a mediator between these two variables.

2.1. Theoretical Review

2.1.1. Concept of Capacity Building

Capacity Strengthening (CS) is a foundational concept in development aid, governance, and humanitarian assistance, centered on developing the potential and abilities of actors at multiple levels to achieve and sustain desired outcomes.

Capacity refers generally to the ability or potential to perform (Chematany, 2012). It is the power of a system, an organization, or a person to perform or produce. Capacity in this context refers to the resources, capabilities and practices that are needed in order to carry out certain functions in an effective way (Nordin et al., 2022).

Capacity Strengthening is defined as the process of continuing to strengthen individuals, organisations, institutions and societies by providing them with evidence-based means of developing their ability (resources, capabilities and practices) to carry out core functions, solve problems and define and achieve long-term goals or objectives in an effective and sustainable manner (de Wal, 2007). It is not limited to training only; it also includes HR development, OD

(organisational development) i.e. the creation of appropriate structures and systems for success as well as creating an environment where institutions have the capacity to perform effectively (Christoplos, Engstrand, & Hedqvist, 2014).

2.1.2. Evolution of the concept (from UN 1950s → modern development)

The conceptual history of capacity efforts dates back to the mid-20th century, growing in complexity and focus over time

Table 2.1: Evolutionary concept

Decade(s)	Focus and Key Developments
1950s–1960s	The initial efforts, acknowledged by the UN, focused on improving the **institutional infrastructure** of newly independent countries and strengthening the capacity of development organizations to implement donor-funded projects.
Late 1980s–Early 1990s	Capacity issues gained increasing importance. The focus broadened from mere training and technical assistance to include specialized services such as **counseling, networking, and market access**.
Mid-1990s	A conceptual shift occurred from haphazardly providing services to dedicating resources toward formulating **best practice principles, success stories, and guiding principles**. Capacity building was adopted to achieve **sustainable development and civil society activities**.
2006–Present	Research on capacity has grown significantly since 2006. The modern agenda is dominated by the strategic goal of **localization**, which involves the transfer of capacities and resources to national and local actors. There is a pronounced push toward a **bottom-up approach** owned by national and local actors.

Source: (de Wal, 2007; Schacter, 1999; The California Wellness Foundation, 2001; United Nations, 1999; UNDP, 1997)

2.1.3. Capacity building vs capacity development/strengthening (distinctions)

The usage of terms like capacity development, capacity strengthening and capacity enhancement are often treated as synonymous with capacity building by many researchers and practitioners. However, there are major differences in how these terms are defined, how they have been referenced, and the critiques associated with the use of these terms:

There are many critiques regarding the use of the term "Capacity Building" as a neutral term (Eade 2007; Kacou, Ika & Munro 2022; Littles 2022); it is seen as being a top-down; focusing on what the donor wants; being based on western concepts being imposed on the global south; and may not incorporate the local, endogenous knowledge/traditions (Weber, Krawczyk, Ezeonu & Tuggle 2023). Capacity building has sometimes been deemed a sophisticated synonym for mere training or short-term skills building (Brough & Potter, 2004).

Shift Shift to the terms “capacity development” and “strengthened capacity” are intended to recognize and affirm the existing capacity and authorship of local actors. They also shift the perspective that capacity should be built from the ground-up (Humanitarian Practice Network, 2021). Additionally, the latest version of capacity development terminology refines the concepts of capacity sharing and capacity exchange, highlighting how both categories involve mutual relationship and reinforce the concepts of localization between international and local actors. While the notion of capacity building (CB) is often said to encompass a much larger concept than building the capacity of an organizational development), since CB can refer to the 'system', 'environment' or 'context' that the individual, organizational or Societal actors interact and operate within

2.1.4. Importance of Capacity strengthening in nonprofit and humanitarian sectors

The capacity of an organisation to be effective, efficient and sustainable are crucial for both the international and domestically based organisations in the non-profit (CSO) and humanitarian space:

In the non-profit (CSO) sectors:

- **Performance**: The overall level of capacity within a non-profit organisation is one of the highest indexed items in relation to its ability to achieve its general social mission and level of performance with respect to that social mission. Multiple studies demonstrate that civil society’s capacity to carry out its civil society aims have a significant statistical relationship with the achievement of CSO performance (Munyigi, Iravo, Rotich, & Moronge, 2024).
- **Addressing Constraints**: Insufficiencies in human and organisational capacity are among the most recognized impediments to CSO performance and thus have a direct impact on the management of strategic planning, M&E and the overall performance of an organization (Weber, Krawczyk, Ezeonu, & Tuggle, 2023).

- **Funding and Accountability:** Donors increasingly provide funds for building an organization's capacity because they believe that building capacity will help them get the most out of their charitable contributions. To be able to manage their financial resources well, and to keep up with new concepts, systems and processes, CSOs (community service organizations) must develop their capacity so that they can be more accountable to donors (Murey, n.d.).

In the Humanitarian Sector:

- Localization and Empowerment: Capacity development is essential to the humanitarian sector's goal of localization, which means giving responsibility to and passing on abilities and resources to national and local actors (Munyigi, Iravo, Rotich & Moronge, 2024).
- Improved Response: Capacity strengthening through localization is viewed as a vital means of increasing global response capacity and providing more sustainable, efficient, fast, accountable, and context-appropriate responses when responding to emergencies. The local capacity of the community is seen as one of the most significant resources on which to build and enhance an emergency response.
- **Institutional Needs:** HCS is needed to strengthen **institutional capacity** in key areas such as financial management, human resource management, and logistics preparedness, as local organizations often face weak operational capacity and internal controls, making it difficult to meet the high financial accountability required by international donors (UNICEF, n.d.).

2.1.5. Organizational Capacity in Civil Society Organizations

Organizational capacity is recognized as a complex and multidimensional concept. It is developed when individual knowledge, skills, and attitudes become widely shared among organizational members and are incorporated into the organization's management systems and culture.

This evaluation of organization's internal health and functionality is referred to as an Organizational Capacity Assessment (OCA).

1. A OCA as Diagnosis: The use of an OCA is for the purpose of providing the framework used to diagnose or to assess the capacity of an organization. The identification of capacity needs is a primary objective and to design tailored organizational strengthening interventions is a major outcome.

2. Functionality and Risk Management: An OCA establishes baseline organizational capacities and identifies any existing capacity gaps within the organization. In addition, OCAs help create a capacity strengthening plan as well as to create risk mitigation strategies in terms of the functional and operation of the organization within the humanitarian and development context.
3. Research Methodology: To assess the capacity of an organization typically requires a structured tool to facilitate a self-assessment. The results of the assessment along with information from the self-assessment will be used to develop Action Plans for the improvement of the organization's capacity. It uses a model representing the organization as an open system and provides a checklist to guide the collection and analysis of information on key organizational variables.
4. **Monitoring Progress:** OCAs can be used to diagnose an organization at the start of an intervention and then **repeat overtime to measure change**, track progress against performance benchmarks, and ensure the capacity building focuses on the right priorities

Various organizations and consortia have developed specialized tools tailored to the needs of civil society organizations (CSOs), particularly those in the humanitarian space.

2.1.6. Model and Framework of organizational capacity strengthening

Table 2.2: Model of Capacity Assessment tool

Model/Tool	Developer/Context	Key Features & Focus Areas
Organizational Capacity Assessment (OCA) (General Term/Tool)	USAID/Pact/Amref Health Africa	A structured tool for facilitated self-assessment of an organization's capacity followed by action planning. Used to assess five main areas: governance and risk management, strategic and operational planning, M&E, programme management, and financial management.
McKinsey Capacity Assessment Grid (OCAT)	McKinsey & Company	Assesses 10 capacity areas including **aspirations, strategy, leadership, funding, culture, business processes, and**

		infrastructure. This tool was used to assess operational capacity and identify strengths and areas for improvement.
UNDP Frameworks	United Nations Development Programme (UNDP)	Defined capacity building across three levels (individual, organizational, institutional) and distinguished capacity by type: **functional and technical**. Uses the Capacity Assessment Methodology User's Guide (13 domains) and the Participatory Organizational Evaluation Tool (POET).
CANARI Organizational Capacity Assessment Tool	Caribbean Natural Resources Institute (CANARI)	Uses an **appreciative inquiry approach** to help CSOs recognize strengths before identifying areas for improvement. Focuses on five key areas: Governance, Planning, Management, Stakeholder engagement/Partnerships, and M&E/Learning.
CAFOD's HCS Model	Catholic Agency for Overseas Development (CAFOD)	A **partner-led change process** that provides flexible resources and accompaniment support for partners to determine their own capacity-strengthening priorities and pace.
INGO/Consortia Unified OCAT	Save the Children-led consortium	Developed a user-friendly tool to simplify the repeated process of assessment for local NGOs. Encouraged local NGOs to use it for **self-assessment** to reflect results in Organizational Capacity Development (OCD) strategies focused on institutional gaps.

Source: Guidance each organization under context column

2.1.7. Components of Organizations Capacity

Scholars and capacity building practitioners categorize organizational capacity components across functional and strategic areas (DFID, 2006). Capacity dimensions can be broadly categorized into **Resources** (often "hard capacities") and **Capabilities/Management** (Nordin,

N., Khatibi, A., & Azam, S. M. F. 2022). The essential functional areas and components required for effective organizational capacity include:

1. **Strategic Direction (Mission, Vision, and Strategy)**

These are the driving forces that give the organization its purpose and direction. This function involves the organization's purpose and approaches that define and underline programs and activities and inform the planning process. It is often assessed based on the clarity of the mission, vision, and values, and the high-level plans for achieving the organization's purpose (Connolly & York, 2002; De Vita, Fleming, & Twombly, 2001; Fate & Hoskins, 2001; Grantmakers for Effective Organizations, 2000; Porter & Kramer, 1999).

2. **Governance and Leadership**

Leadership and governance are especially critical, often serving as the **glue that binds and promotes the effectiveness** of all other functions. Governance capacity components include Ensuring the board structure, competency, orientation, and policies are in place, The ability of management to operate effectively through applying processes, planning, and supporting structures. (Inter-Agency Network for Education in Emergencies [INEE], 2022). This is critical for keeping all parts of the organization aligned and moving.

3. **Human Resources (HR) Management**

HR is the foundation of humanitarian delivery. Inadequate human capacity is a major constraint on CSO performance in Africa. Key components include: The organization’s ability to recruit, retain, and manage high-quality staff Transparent HR systems, clear job descriptions, and well-defined roles are critical. Policies related to employee performance review/integration, systematic approaches to performance management, employee training/coaching, and mentoring so that all employees' skills are coordinated effectively, particularly because many CSOs are heavily reliant on volunteers or part time employees. (Chematany, 2012)

4. **Financial Management and Sustainability**

Financial resources are a significant contributor to effective operational planning, resource development, and accountability (internally and externally). Establish trusted processes for handling financial transactions, recording projected costs, monitoring amounts spent, and executing budgets. Successfully fundraise so that funds can be used effectively over the long term to support an organization's efforts (Sanders, 1998). Generally, to accomplish this requires a diverse range of fundraising approaches and strategies. Implementing clear policies for

accounting procedures, procurement, authorizing transactions, and conducting annual internal and external audits.

5. **Programmatic and MEAL (Monitoring, Evaluation, Accountability, and Learning)**

These components focus on assuring quality and impact of service in having systems for assessing needs, developing programs, and ensuring program results correspond to objectives and using tools and systems to monitor activities, verify data, analyze impact, and report to relevant stakeholders. M&E often presents capacity gaps for CSOs, with deficiencies noted in the lack of M&E qualified staff and organizational M&E manuals. Also, in ensuring mechanisms are in place for transparency and accountability to stakeholders, which is a key element of governance. (Inter-Agency Network for Education in Emergencies [INEE], 2022)

6. **Policies, Systems, and Infrastructure (Management)**

These are the essential processes and activities needed to demonstrate capacity in core functions as Organizational Systems, Information Technology (IT), Strengthening procurement management systems and supply chain management/logistics, which is critical for efficiency and speed of delivery in humanitarian aid and analyzing the probability of risk factors inherent in policies and operational procedures and having contingency plans in place. (AIDSTAR-Two Project, 2011)

2.1.8. Types of Capacity Building in the Humanitarian Sector

Capacity strengthening efforts are generally differentiated into broad categories based on the function they address. The primary distinction is often made between **Technical** (Programmatic) capacity and **Organizational/Institutional** (Administrative/Management) capacity, though other crucial categories exist Weber, P., Krawczyk, K., Ezeonu, B. I., & Tuggle, F. (2022).

1. **Organizational/Institutional Capacity (Policies, Systems, Governance)**

In this category, work is done to enhance and strengthen the internal structures and foundational systems within CSOs, which are critical to their long-term effectiveness, efficiency, and accountability, especially when dealing with international funding sources. This is also sometimes referred to as **administrative capacity**.

Table 2.3: Components of Organizational Assessment

Component	Key Focus Areas for Strengthening
Institutional Governance	Leadership, board capacity, organizational structure, adherence to ethics, values, codes of conduct, conflict resolution mechanisms, and setting standards of practice.
Human Resources (HR)	Talent Management, recruitment, performance management, compensation, staff retention, professional development, and establishing the HR Handbook with policies (e.g., safeguarding procedures)
Management & Systems	Strategic planning, operational planning, Organizational Process development, communication, and decision-making processes are all elements of the management and systems category that facilitate responsive organizations through the establishment of flexible structures and processes
Information Technology (IT)	This category focuses on strengthening capacity to develop strength in Information Management systems to collect, store, process, share, save, analyse and retrieve data.

Source: Nordin, N., Khatibi, A., & Azam, S. M. F. (2022).; Hall, M., et al. (2003).

2. **Technical Capacity (Programmatic/Thematic Focus)**

Technical capacity development focuses on providing specialized knowledge, skills and capabilities necessary for efficiently delivering specialised service that is needed in each of the thematic areas for humanitarian assistance.

Table 2.4: Component of Technical Assessment

Component	Key Focus Areas for Strengthening
Emergency Response & DRR	Skills related to how to prepare and respond to disasters, including Disaster Education aimed at adults and children, Disaster Risk Reduction (DRR), and Sphere training (humanitarian minimum standards) (Kenny, 2007).
Program Management	Project design and proposal writing, program management skills, needs assessments, and implementing service-delivery based programming (Assessment of capacity building needs of NGOs in Lebanon. UNDP. 2009)

Sector-Specific Skills	Training on thematic topics related to the NGO's specialization, such as WASH (Water and Sanitation), Health and Nutrition (e.g., HIV and AIDS, health and nutrition for cadres), Protection (e.g., psychosocial support, child protection technical skills), and vocational skills development.

Source: Weber, P., Krawczyk, K., Ezeonu, B. I., & Tuggle, F. (2022). Action Research for Capacity Building

3. Operational Capacity (Logistics, Supply Chain, Coordination)

Operational capacity relates to the functional abilities to implement programs efficiently, especially in high-volume, time-sensitive emergency contexts.

Table 2.5: Component of Operational assessment

Component	Key Focus Areas for Strengthening
Logistics and Supply Chain	Strengthening Procurement Management Systems, supply chain management and logistics, transportation, warehousing, and managing emergency stocks.
Coordination	Capacity to participate in Coordination mechanisms (such as Clusters), manage partnerships, and facilitate partner engagement and understanding of coordination processes.
Risk and Safety	Risk Management (including financial and programmatic risk analysis), operational security of humanitarian workers, and Hostile Environment Awareness Training (HEAT/HEST).

Source: Frennesson, L., Kembro, J., de Vries, H., Van Wassenhove, L., & Jahre, M. (2021).

4. Financial Management and Resource Mobilization Capacity

Financial capacity is a primary focus because local actors must demonstrate the ability to manage large donor funds transparently for accountability and sustainability.

Table 2.6: Component of Financial Management Assessment

Component	Key Focus Areas for Strengthening

Financial Management	Training in financial management and reporting, financial accountability, financial planning and control measures, and alignment with donor compliance requirements
Resource Mobilization	Developing capacity for fundraising, grant writing, and creating strategies to achieve financial sustainability and diversify income sources to avoid dependency on a single donor Limbu, L. K. (2015).

Source: Global Fund rules

5. **Community and Participatory Capacity**

A community's ability to participate in humanitarian assistance is based on locating affected people to ensure that humanitarian work is done based on local needs and helps build self-reliance rather than impose an outside solution. Strengthening the ability of communities to define their priorities and opportunities and to the extent possible participate in shaping policy, developing projects and providing services. This includes supporting Community-Based Organizations (CBOs). Training on tools like Participatory Research Appraisal (PRA), using community protection plans, and incorporating accountability and feedback mechanisms for affected communities. And some capacity needs focus on the community level, such as the capacity to change the local community's mentality so they understand that change comes from within and not from outside (donors).

6. Policy & Advocacy Capacity

This dimension evaluates the strategic ability of CSOs to engage with and influence their external environment, including the government and decision makers, to eliminate causes of vulnerabilities and hold to account the public authorities. Strengthening the capacity to effectively deliver advocacy; participate in policy dialogue; implement change creation programming that engages policymakers to change their laws. There is a critical need for critical relationships and networking, as well as creating and maintaining an adequate operation of the institutional environment, to achieve sustainability and systemic change. Training in very specific areas (Examples include Policy Analysis and Political Economy Analysis) will help such efforts to be conducted in a more strategic manner.

2.1.9. Capacity need identification and assessment process

Identifying Support Areas for Capacity Development: The Process Must be Evidence-Based, Systematic, and Locally Driven. The Capacity Development Process Utilizes Specialized Assessment Tools and Methodologies that are Incorporated into the Humanitarian Program Cycle (HPC) (UNICEF, N.D.).

1. Conducting a Capacity Assessment (OCA)

The Most Systematic Way to Identify Capacity Needs is to Conduct a Comprehensive Assessment of Needs at All Levels of Your Organization and at All Strategic and Operational Levels. This Can Be Accomplished by Performing an Organizational Capacity Assessment to Establish Baseline Capacities, Identify Capacity Gaps, and Identify Capacity and Risk Mitigation Strategies (Hall, M., et al, 2003). OCAs typically examine five main areas: governance and risk management; strategic and operational planning; monitoring and evaluation (M&E); programme management; and financial management. Several specialized tools exist to guide this process, including the Organizational Capacity Assessment Tool (OCAT) (initially by McKinsey & Company), the USAID Organizational Capacity Assessment (OCA) tool, and the CANARI Organizational Capacity Assessment Tool.

2. **Principles Guiding Needs Identification**

There Are Several Principles That Should Guide the Process of Identifying Needs so That the Resulting Capacity Development Is Sustainable and Effective

- **Local Ownership and Needs-Driven**: The local communities' needs are the basis for developing capacity. Thus, local actors rather than international actors should set the agenda and make decisions regarding capacity development. Ayobi et al., 2017; Van Brabant and Patel, 2018; Christian Aid et al., 2019. The local community must own the process for defining their capacity development needs to create sustainable capacity development.
- **Systemic and Context-Specific**: Holistic approaches to assessment must examine the full range of organizational elements, including the organization itself, the human resources, and institutional systems, in addition to how effectively each of these elements interact with one another. Assessment must be context dependent and must therefore

recognize that different environments (e.g., resource-constrained environments vs post-conflict environments) will have unique challenges that will affect how organizations assess their own capabilities.

- **Deficit Model:** Many tools that are used to assess capacity utilize a deficit model in that they identify and classify capacity deficiencies that need to be addressed in order to realize the desired outcomes.

OCAs group poor capacity classifications into groups by severity and use severity to identify the level of required intervention needed (i.e., Extensively develop poor capacity, high-risk) (Marita et al., 2016). The identification of needs should be conducted collaboratively between the local organization and the external partner/intermediary, allowing for bi-directional exchange and ensuring capacity enhancement is need-driven, not supply-driven.

2.1.10. Project and Project Performance

A **project** is fundamentally a tool for achieving beneficial change within an organization. Projects are typically evaluated against four main performance indicators: effectiveness, efficiency, relevance, and financial sustainability (Andrews & Van de Walle, 2013); Nordin et al. 2022).

There are some specific features that set projects apart, including:

- **Unique Activities:** Projects do not have the same type of repetition as other operational activities.
- **Boundary:** Projects have defined constraints (e.g., a fixed commencement date and a fixed completion date and the budget needs to be approved).
- **Resources**: Projects are executed within a set number of human resources, equipment and commodities that are agreed upon when the project begins.
- **Effectiveness** is defined as the extent to which an organization's objectives are being achieved.
- **Risk Element:** The outcome of a project is inherently uncertain at the beginning.
- **Goal Orientation:** The purpose of a project is to achieve beneficial change, contributing to the organization’s overall mission.

In the humanitarian and development sector, capacity strengthening often takes place through defined capacity building projects (de Wal, 2007). Such projects are unique undertakings that aim to build up core skills and functions within an organization in a sustainable way.

Performance refers broadly to the ability of an organization to meet its goals and achieve its overall mission (Lusthaus et al, 1995).. Project performance, therefore, is the measurement of how effectively and efficiently a defined, temporary endeavor achieves its specific objectives and contributes to the organization's strategic mandate (Omondi, 2016).

- **Indicator of Capacity:** Performance can be conceived as the tip of the iceberg, representing the fruit of the underlying institutional capacity made visible to the outside world. The desire to change performance is often what drives organizations to engage in institutional capacity building programs.
- **Complexity of Measurement:** Measuring project performance, particularly for Non-Governmental Organizations (NGOs), is not straightforward and can be notionally complex. Successful NGO management is often defined by project effective performance.

Project performance is typically gauged in terms of four key indicators: effectiveness, efficiency, relevance, and financial sustainability (Andrews & Van de Walle, 2013); Nordin et al. 2022)

- **Effectiveness** refers to the degree to which an organization achieves its goals**.** It is defined as a ratio of actual output to expected output. Effectiveness determines the extent to which planned outputs, expected effects, and intended impacts are being or have been produced or achieved. Effectiveness involves doing the right things at the right time, with the right quality
- **Efficiency** relates to minimizing the ratio of resources expected to be consumed to the resource consumed, or the link between inputs and outputs and a question of input and transformation process. An evaluation of efficiency assesses the number of outputs created and their quality in relation to the resources invested. Importantly, efficiency does not measure effectiveness.
- **Quality:** is assessed in relation to program standards and stakeholder expectations (Cairns et al. 2005). It is measured by the degree of program excellence and the extent to which services reflect best practices.

- **Beneficiary Satisfaction** dimension measures the degree to which the target population approves of the services delivered Baruch & Ramalho (2006); Nordin et al. (2022). Customer satisfaction, as well as beneficiary satisfaction, are typical ways to evaluate social performance. The major stakeholders (customers, clients, beneficiaries) must also be satisfied with the services provided by the organization, their projects and programs, and financial performance. Surveying clients and holding Focus Groups with clients are good ways to evaluate the organization

2.1.11. Tools for measuring project performance

The measurement of project performance utilizes formalized methods of evaluating projects that link the inputs to the outputs/outcomes and ultimately link to the impact of the project over time.

1. **Logical Framework/Logic Model (Log frame)**

The Logic Model is considered the cornerstone for performance measurement and evaluation design. It is a pictorial representation of why and how a capacity-building effort will happen.
It serves as the evaluation framework from which all evaluation questions, data collection tools, methodologies, and data analysis are derived and can be used to share a common vision of projects by identifying the chain of results from input to impact (Dyer, 2012; Nordin, Khatibi, & Azam, 2022; W. K. Kellogg Foundation, n.d.) The Logic Model specifies the program's core components: Inputs (resources employed, such as funding, staff, or expertise), Activities (what happens, such as training programs), Outputs (direct results, such as number of attendees), and Outcomes (changes created in the short and long term, such as increased performance).

2. **MEAL (Monitoring, Evaluation, Accountability, and Learning)**

Monitoring and Evaluation (M&E) is an integral part of all successful development activities. The System determines the merit, worth, or significance of something Chaplowe & Ebgo-Tjega (2012). The practices are essential for CSOs to demonstrate the results of their work not only to providers but also to the people they serve. M&E involves using tools, systems, and processes for monitoring activities, verifying data gathered, and reporting to relevant stakeholders. OCAs often reveal that monitoring and evaluation capacity gaps are the most significant deficiency in CSOs. Evaluation should be viewed as a learning exercise, integrating a monitoring and evaluation function into the recipient organization.

3. **Key Performance Indicators (KPIs)**

KPIs are the specific metrics used to quantify and track performance against goals Kaplan & Norton (1992); Horsch (1997). In order to effectively implement and deliver an organization's mission, all of the Quantifying Goals must be quantifiable and incorporated into performance measurements to ensure the Organizations continuing to have a strong strategic commitment to the path outlined in the organization's lofty statements will be able to deliver on those goals of success. The term "Indicator" will be used to describe the metrics used to monitor progress toward compliance with the identified standards for an Organization's core practices and to assess the efficiency, effectiveness and impact of the Organization's efforts to meet standards of practice.

The KPI (Key Performance Indicators) Matrix utilizes measurement tools to evaluate the measurement and performance related to the goods and services utilized in conjunction with the measurement of performance in the delivery of the services to clients, customers, and recipients, including procurement for the organization (i.e. the measurement of order processing and invoice accuracy). The M&E matrix identifies the quantitative and qualitative metrics for measuring the completion of tasks and deliverables by staff that can then be used to measure the entire organization's achievements against staff and departmental KPI's, thus providing the ability to evaluate projects based on the overall performance of the organization.

2.1.12. Theories linking capacity to organizational outcomes

Capacity (CB) is comprised of activities and programs that create an institutional focus on developing the core competencies of the organization that will ultimately assist the organization toward a greater level of independence, sustainability, and resilience.

1. **Foundational Link to Mission and Survival (Theoretical Motivation):**

Organizational capacity is the organization's potential to perform, or its ability to successfully apply skills and resources to accomplish goals and satisfy stakeholder expectations (Murey, n.d.). The desire to change performance is the fundamental drive for engagement in CB programs. Performance is conceptualized as the "tip of the iceberg," made visible by the underlying institutional capacity (Omondi, 2016). The goal of CS is to enable the organization to attain its vision, mission and goals, and sustain itself. Institutional growth refers to an organization's ability to define and pursue its own mission, seek funding, and develop relationships, which leads to organizational independence and autonomy (Pathfinder, 2015).

Theories of Change:

The **Resource-Based Theory** indicates that organizational resources and operational capacity contribute to organizational performance. Capacity is an essential element in staying competitive and is considered a competitive advantage that leads to higher performance (Barney 1991).

Goal Attainment Theory holds that capacity is needed for organizations to achieve their mission (Battilana and Dorado 2010; Lall 2017). Organizational growth, particularly in the growth stage, is achieved when leaders undertake CB activities that strengthen internal components like leadership, organizational culture, and financial sustainability.

2. **Systemic and Adaptive Growth:**

Capacity development occurs at three interdependent levels, including the individual, the organization, and the institution. When we build individuals' capacity (knowledge, skills), we enable improvements to occur at the organizational level (process, policy), which ultimately supports the development of the overall capacity of the civil society sector to solve collective issues (Weber et al., 2023).The degree to which an organization can effectively respond to change and solve problems is determined by the capacity of its internal systems to learn and adapt (processes, procedures, etc.). The organization's ability to grow and continue to develop is determined by its capacity for adaption and renewal through the integration, enhancement, and restructuring of both internal and external competencies to meet changing circumstances.

2.2. Empirical evidence

2.2.1. Empirical studies from on CS and Performance (Global)

Globally studies on the link between capacity and organizational performance present a mixed and often contradictory picture.

- A study examining capacity building in Kenya found a **positive and significant relationship** between civil society capacity building and the performance of devolved governance units (Munyigi, Iravo, Rotich, & Moronge, 2024).
- Another study focusing on a refugee council in Kenya established that **training methodology and curriculum content** were key contributors to project performance (Omondi, 2016).

- An intensive capacity building model implemented by Pathfinder International saw CSOs' overall institutional capacity score **increase substantially** (from 1.5 to 3.0), with notable growth in organizational governance and program management capacity (Pathfinder International, 2015).
- The capacity development efforts of local partners, even in the highly difficult context of Aceh post-tsunami, were seen to have **laid a foundation for them to be more professional, disciplined, and design accountable engagement** with their communities.

Despite the overall emphasis on Capacity strengthening, many capacity building programs for CSOs **fail to produce their intended benefits** (**Ika and Donnelly 2017, 2019)**. Research often finds **inconsistent and conflicting results** regarding the relationship between capacity and social performance, with some studies finding that capacity (e.g., financial capacity) has **no significant influence** on social performance (Nordin, Khatibi, & Azam, 2022). One study in Nairobi found that while CSOs demonstrated capacity in various areas, this **did not seem to have any impact on the delivery of services**, which remained poor in those areas (Chematany, 2012). A study of NGOs in Kenya found that capacity building only explained a statistically **low 7% of the variance in project performance** (R square= 0.07), suggesting that 93% of the variance is explained by other factors outside the model used (Omondi, 2016).

2.2.2. Evidence from the Humanitarian Sector

Localization Driven capacity initiatives involve a strategic shift to delegate responsibilities and transfer capacities to national and local actors (Frennesson et al., 2022). These initiatives are often driven by global mandates like the grand bargain, which committed major donors and IHOs to invest in the institutional capacities of local responders. Successful examples include multi-year-old programs that focus on co-designed, long term institutional strengthening rather than one off training sessions (Humanitarian Policy Group [HPG], 2020).

There is also a critical tension between meeting bureaucratic donor requirement and ahiveneing actual impact on the ground. Traditional capacity strengthening models often prioritized upward accountability to funders and adherence to western managerial concepts, which can negate local knowledge and lead to mission drift (Weber et al., 2023). Furthermore, an over-emphasis on organizational capacity (governance and systems) can come at the expense of operational

capacity (the ability to deliver programs), potentially undermining the relevance of the aid to the affected population **(**Howe and Stites, 2019).

Donor frequently links grant eligibility to OCA, viewing internal policies and controls as practical requirements for Partnership. Because donors often prefer working through large, well-known organizations deemed safer and more credible, smaller local organizations where they lack the long term. Funding is necessary to build the very capacity required to qualify for that funding (Frennesson et al., 2022).

2.2.3. Empirical evidence from the Ethiopia Context

In Ethiopia's humanitarian sector, many national CSOs engage in capacity strengthening primarily to fulfill donor requirement and qualify for funding. The inclusion of specific organizations policies is often viewed as a practical requirement for fulfilling partnership obligations and ensuring compliance, rather than voluntary drive for internal improvement.

Despite these investments**,** post-implementation reviews in Ethiopia reveal persistent issues such as project delays, inefficient resource utilization, and weak sustainability mechanisms, raising the question of whether CS genuinely enhances effectiveness or merely serves as a compliance tool. The study specifically intends to assess whether CS efforts are motivated by authentic organizational improvement or primarily by donor compliance requirements.

Many Ethiopian CSOs Continue to function with limited financial resources, promising immediate project implementations over long term development. Consequently, even after strengthening capacity, these organizations often encounter restricted sustainability and weak mechanisms for maintaining project benefits over time.

The proposed research focusing on **Ethiopian humanitarian CSOs** aims to address the critical gap concerning the real impact of CS. Most Ethiopian national CSOs undertake CS initiatives primarily to fulfill donor requirements and qualify for funding, rather than to drive internal organizational effectiveness.

2.2.4. Empirical Evidence on motivation as mediator

The concept of motivation serving as a mediating factor between capacity Strengthening and performance is explicitly acknowledged as a focus area for research, while other studies provide empirical support for related mediating concepts.

1. **Empirical Links via Attitude and Working Culture:** One component of dynamic capabilities is absorptive capacity, which refers to an organization's capacity to discover and utilize external knowledge. This is often linked with working attitude (a motivation element) and found to mediate the relationships between innovative sources and performance (Chen et al. ,2017; Unceta et al. 2017). Performance appraisals positively influence motivation by increasing role clarity and expectancy, which in turn influences performance. Management capacity expenses (e.g., salaries, professional fees, marketing) were found to mediate a positive relationship between the overhead ratio and the success of nonprofits. This shows that the investment (cost/commitment, a proxy for motivation) in managerial support is crucial for positive outcomes (Ebrahimi et al. 2021).
2. **The Role of Leadership and Commitment:** Organizational capacity development, which includes strengthening leadership, has been found to result in improved organizational functioning, which eventually resulted in greater collaboration and improved service delivery (Batten and York, 1999). The ability of leaders to motivate and inspire employees is a crucial element that improves effectiveness and productivity (UNICEF, n.d.).
3. **Absorptive Capacity and Employee Performance:** Motivated employees perform better and allow the organization to improve outcomes. Human Resource Management (HRM) practices are also key to influencing motivation. HRM must monitor staff and identify opportunities to motivate staff, maintain momentum, and sustain high performance. Management is expected to reward staff according to performance (CANARI, 2021). Performance appraisals and feedback, when conducted frequently, help employees understand how they are improving. This helps to reduce ambiguity and increase role clarity, which may positively influence the levels of motivation exhibited by employees (Kluger and DeNisi, 1996).

2.2.5. Challenges and inconsistencies

The literature highlights several key challenges that explain the inconsistencies in linking strengthened capacity to realized project performance:

1. **Measurement Difficulty and Lack of Rigor:**

It is difficult to develop measurements for assessing organizational effectiveness and management success in nonprofits because, unlike for-profit companies, there is no single

financial bottom line to appraise. Linking CB interventions to outcomes and ultimate social impact is not easy (Chematany, 2012). Much research has focused more on customer satisfaction and process rather than long-term outcomes.

2. **Top-Down, Supply-Driven Models:**

Capacity building often fails when it follows a supply-led model (intentional development) where objectives are set by donors or IHOs, leading to mission drift and upward accountability to funders (Antlov, Brinkerhoff , & Rapp, 2010). This contrasts with the demand-led approach, where CSOs have autonomy and ownership to develop contextually appropriate programs.

3. **The Paradox of Staff Turnover:**

A major challenge is the difficulty in retaining enhanced capacity within local organizations. A major paradox of capacity building is that once staff skillsets are enhanced, they are better able to market their skills to other organizations, particularly INGOs which offer higher payments—resulting in high staff turnover and undermining the organizational capacity that was just built (Pathfinder International, 2015).

4. **Short-Termism and Fragmentation:**

Capacity strengthening is often criticized for being fragmented and focused on short-term training and workshops rather than sustainable, multi-year, holistic institutional development (Kumi, Bandyopadhyay, & Collada, 2021). This short-term nature fails to generate the readiness for long-term organizational functioning needed for sustainable impact.

5. **Focus on Compliance over Operation:**

Capacity strengthening requirements are often primarily concerned with meeting donor requirements (e.g., financial management and audit compliance). This focus on fulfilling donor requirements risks coming at the expense of operational capacity that would otherwise increase the relevance and effectiveness of the response to affected populations (Barbelet, Davies, Flint, & Davey, 2021).

2.3. Conceptual Framework

2.3.1. Introduction to the Conceptual Framework

Based on the reviewed literature on organizational capacity strengthening, motivation theory, and project performance in international development contexts, this study proposes a conceptual

framework that explains the relationship between these key constructs. Grounded primarily in **Resource-Based Theory (RBT)**, the framework views capacity (resources, capabilities, and practices) as essential for maintaining competitiveness and achieving an organization's social mission, while **Systems Theory** reinforces a holistic understanding of organizational Capacity strengthening (OCS) across human, organizational, and institutional levels. Motivation Type as a Mediator Affects the Transfer of Acquired Capacity into Project Performance: Motivation that is driven by Compliance is representative of Donors' Priorities and therefore will result in the capacity being used primarily to meet Accountability and Reporting Requirements; as opposed to Motivation driven by Improvement, which aligns with the Endogenous Development Theory and the Critical Pedagogy Theory and will allow for more Local Ownership and Positive Change, thus allowing for capacity developed to be applied effectively and sustainably to Project Performance.

2.3.2. Framework Components

The conceptual framework comprises three main components:

- **Independent Variable: Organizational Capacity Strengthening**

The Organization Capacity Strengthening refers to the ongoing systematic process or processes that build a Non-Governmental Organization (NGOs) capacity to achieve the overall mission and sustainable development within the context of utilizing the elements cited in the literature as part of the ongoing systematic process. This includes the following aspects of Organizations performing Development projects within the Country of Ethiopia.

- Development of Technical Skills
- Improvement of Systems and Processes
- Development of Governance and Leadership
- Resource Mobilization
- Implementation of Monitoring and Evaluation Systems

Based on the review of academic literature in Section 2.3, Organization Capacity Strengthening is one of the major contributors to the success of a project in a resource-constrained environment (Omondi, 2016)

- **Mediating Variable: Motivation Type**

There are many types of motivation that can be used to explain how an organization responds to capacity building according to research in the field of organizational and quality management (Global fund role, 2022). In this research, we use the typology below to describe both motivating types of capacity building.

- **Compliance-driven motivation:** The motivation for compliance with external requirements (e.g., regulations, donor funding obligations), and as such, is primarily based on extrinsic motivation to meet minimum standards and to avoid losing funding or facing penalties (sources needed)
- **Improvement-driven motivation**: The motivation for continuous improvement and to have an "excellence-based" interest in maximising development impact, also known as intrinsic motivation (i.e., the desire to continually learn and innovate, and to voluntarily implement best practices) (sources needed).

➢ **Dependent Variable: Project Performance**

In the current study, project performance refers to the degree to which a given project meets its planned goals, achieves its intended results and provides value (or effective use of resources). Using information from the literature reviewed in Section 2.2, multiple criteria for measuring project performance will be included as part of the analysis:

- Meeting project goal(s) and objective
- Completing project on time and within budget
- Providing products that meet quality standards
- Developing project outcomes that are sustainable
- Measuring satisfaction of stakeholders

2.3.3. Hypothesized Relationships

Based on the literature synthesis, the following relationships are hypothesized:

H1: Direct Effect of Organizational Capacity Strengthening on Project Performance

Both the literature related to Organizational Development (OD) and the concept of the Resource-Based View of the Firm suggest that having a greater level of capacity will have a direct impact on project outcomes by enabling an organization to have the required skill sets, systems, and resources to properly implement projects (Nenobais, 2016). Organizations who

possess strong organizational capacity are likely to be more effective at planning, executing, monitoring and making modifications to project activities and, therefore, will experience increased levels of success.

H2: Effect of Organizational Capacity Strengthening on Motivation Type

The capacity building interventions may also have an impact on what type of motivation an organization has, and within a capacity building intervention that is holistic and emphasizes learning, reflection and empowerment as opposed to simply meeting donor requirements organizations are developing a motivation for continual improvement (Fowler, 1997; Kaplan, 2000; Morgan, 2006). When organizations build their confidence in their capabilities, they are shifting from a position of being compliant with donors (i.e., external motivation) to an organization continually improving its performance through a practice of continuous improvement (i.e., internal motivation) (Lusthaus et al., 2002; James, 2009; Morgan, 2011).

H3: Effect of Motivation Type on Project Performance

The research surrounding both quality management and the motivation of organizations has shown that performance improves when the organization is driven by improvement as opposed to compliance (Deming, 1986; Hackman & Wageman, 1995). Organizations that are driven by improvement have a tendency to exceed the minimum requirements, be innovative, learn from their mistakes, and maintain their performance gains over time (Juran & Godfrey, 1999; Senge, 1990; Oakland, 2014). On the other hand, organizations that are driven by compliance may only reach basic standards but do not possess the desire for excellence and adaptability needed for ideal project results.

H4: Mediating Role of Motivation Type

In this framework, the type of motivation partially mediates how well capacity building influences project performance. Thus, capacity building, by providing improved skills & systems, will impact project performance directly (through improvement in those skills & systems) and indirectly (through the motivational orientation that shapes the way those skills & systems are applied) as organisations learn to adapt. The hypothesis that motivation will act as a mediator between capacity building and project outcomes is supported by literature regarding organisational change and learning - where it is noted that improving organisations'

technical capacities alone is insufficient to produce improved outcomes; it also requires creating an appropriate motivational environment (Argyris & Schön, 1996; Senge, 1990; Kotter, 1996).

2.3.4. The Conceptual Model

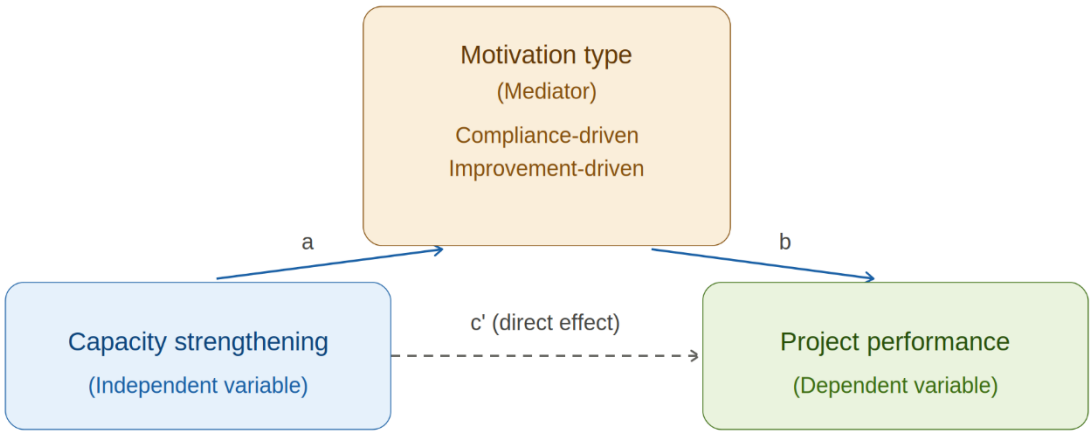


Figure 2.1: Conceptual Framework Motivation Type to the relationship between Organizational Capacity Strengthening and Project Performance ***(Pallas & Nguyen ,2018)***

Using the direct pathway of the Organization Capacity Strengthening leading to improved project performance. The dotted line indicates the direct pathway of CS to Project (Mediated Path) and, the solid arrows indicate the indirect mediation type of motivation.

The model suggests that while CS has directly improved project outcomes through enhanced OCB, the amplification or attenuation of CS is directly related to whether OCB is driven by compliance or improvement motivation.

2.3.5. Application to the Ethiopian NGO Context

The conceptual framework applied to the Ethiopia Development Sector by demonstrating how NGOs undergo may pressure from many different sources. These pressures include donors have very strict requirements, government regulations, and capacity issues plus, the complexity of implementation. By understanding how capacity strengthening initiatives work and interact with motivation it will provide NGOs with the tools and knowledge to achieve more successful organizationally driven approaches to development.

2.4. Chapter Summary

The review of the literature on OCB, Motivation Theory, and Project performance within the Development Sector was reviewed in this chapter. Based on the findings of this literature review, the proposed framework was created that demonstrates the relationship of these three concepts in the development sector where motivation type is the key mediating variable that connects OCB to project performance. The next chapter outlines the methodology for testing the framework within the context of Ethiopian humanitarian National CSOS.

CHAPTER THREE

3. Methodology

This Chapter describes the research methods, framework, and Procedures used to collect data for the study. It addresses issues of quality, reliability, validity, and limitations to support the research approach. A description of the data collection and sampling methods is also included along with explanation of how it correlates with the interpretive method used in this study.

3.1. Background of the Study Area

Alternative healthcare, community development, social justice, and education are all areas where Civil Society organization are increasingly being recognized or promoted, and other projects undertaken by Humanitarian National CSOs which takes places is in Ethiopia. The study focused on five local CSOs, FIDO, ASDEPO, Hiwot Ethiopia, OWS-DF, and DEC all of which are registered and headquartered in Addis Ababa, Ethiopia, but implement humanitarian and development programs across multiple regional states of the country and representation of diverse socio-economic and cultural contexts within Ethiopia. These organizations were purposively selected because of their extensive experience undergoing Organizational Capacity Assessments (OCA) under international donor partnerships, their varied years of operation, and their geographical reach across the northern, southern, eastern, and western parts of Ethiopia. They have implemented various capacity-strengthening initiatives, making them suitable for examining the relationship between organizational capacity and project performance, as well as exploring the mediating role of motivation type.

3.2. Research Design

To examine the effect of organizational capacity strengthening on project performance among Ethiopian humanitarian CSOs and to determine whether these initiatives extend beyond donor compliance to produce meaningful and sustainable organizational improvements major knowledge areas selected from the Organizational Capacity assessment guide. The research then engaged quantitative research approach with explanatory (casual) focus to realize the purpose of the study. This methods approach was a powerful tool for assessing the Capacity strengthening maturity level of an organization to provide a comprehensive understanding of the subject. The

quantitative component used Descriptive statics, correlational and regression survey to examine the effect of capacity strengthening on project performance and the mediating role of motivation type. Structured questionnaires collected data on organizational capacity-building initiatives, motivation type, and project performance, which was analyzed using correlation, regression, and mediation analysis.

Additionally, existing Organizational Capacity Assessments (OCAs) accomplished by the CSOs were reviewed for the provision of baseline data on organizational capacity and to supplement the primary data.

3.3. Research Approach

To begin the research, the study used quantitative research approach with recognized theories about organizational capability and motivation and assessing if it applies in Ethiopian humanitarian CSOs.

Hypotheses derived from existing literature are used as a guide to review and validate the relationships between the initiatives that strengthen the capacity of an organization, type of motivation, and the performance of the projects undertaken by the organization. This approach allowed research to assess whether theoretical constructions hold true in the local CSO context and to provide empirical evidence on how capacity strengthening influences project outcomes through staff motivation.

3.4. Target Population

The target population for this study does includes all the internal staff and managers involved in project implementation and capacity-strengthening initiatives within the selected Ethiopian humanitarian CSOs (FIDO, ASDEPO, Hiwot Ethiopia, OWS-DF, and DEC). This group encompasses individuals from various hierarchical levels, including project coordinators, program staff, and support/administrative personnel, as well as staff from different functional areas within the organizations. The study assessed how employees are impacted by their ability to perform at higher levels, and a variety of perspectives from employees at varying levels, responsibilities, and departments being used as a basis for developing the evidence used to assess the relationship between capacity building and the overall effectiveness on the organization.

Therefore, the results of the study represent to the same extent as possible of employee experience across levels within an organization by providing evidence on the success of the capacity-building efforts that have been implemented using many different methods and their resultant effects on the overall outcome of the organization.

3.5. Sampling Method

The sample frame for this study consisted of the official staff lists of the five selected CSOs (FIDO, ASDEPO, Hiwot Ethiopia, OWS-DF, and DEC), obtained with support from each organization's HR/Program units, limited to staff who had participated in capacity-strengthening initiatives more than two times within the past two years. The sampling unit was individual staff member including project coordinators, program staff, and support/administrative personnel rather than the organization. Given that the eligible population meeting this inclusion criterion was small and well-defined, a near-census approach was adopted: all 95 eligible staff across the five CSOs (approximately 19 per organization) were targeted rather than calculating a sample using a statistical formula, of which 84 questionnaires were completed and returned, yielding a response rate of 88.4%. The study employed purposive (judgmental) sampling, a non-probability technique, to select respondents based on two criteria:

(1) direct involvement in project implementation, and
(2) participation in capacity-strengthening initiatives more than two times

ensuring that only staff with sufficient knowledge and direct experience of the phenomena under investigation were included, thereby enhancing the relevance and validity of responses to the study's objectives.

3.6. Method of Data collection

Data for this study was collected using a quantitative survey. The data collection methodology was an in-depth investigation into the connection of Project Performance (PE), Motivation Type (MO) and Capacity Strengthening (CS).

3.6.1. Source of Data Collection

- **Primary data:** The use of structured questionnaires allowed for the direct collection of data from staff and managers.

- **Secondary data:**

Secondary data sources consist of (OCAs) that have been completed by the CSOs and that relate to the organization. These assessments provide organizational capacity baseline data in addition to the primary data.

3.7. Instruments for Data collection

- **Questionnaire:** A validated and reliable structured questionnaire was adapted from previous studies to measure the three core constructs of this research:
    - **Capacity-strengthening initiatives,** adapted from the UNDP Organizational Capacity Assessment (OCA) tool (United Nations Development Programme, 2008, 2009).
    - **Motivation type (intrinsic and extrinsic),** adapted from the Work Extrinsic and Intrinsic Motivation Scale (WEIMS), based on Self-Determination Theory (Alizadeh, Norouzi, & Alizadeh, 2024).
    - **Project performance indicators** (timeliness, quality, and impact), adapted from Kanyi (2023).
- **Document review:** Secondary data was obtained by reviewing each organization's existing OCA analysis results and annual monitoring reports. This review captured each organization's assessed capacity level and identified gaps across key OCA domains (governance, human resources, financial management, and M&E), providing baseline, organization-level evidence to complement and contextualize the primary survey data.

3.8. Method of Data analysis

Quantitative data collected through the structured questionnaire was coded, entered, and analyzed using the SPSS version 27. Responses for each construct were first averaged into composite mean scores using SPSS's Compute Variable function, allowing each respondent's overall score per construct to be derived from their individual item responses. Descriptive statistics (means, standard deviations, frequencies, and percentages) were then used to summarize respondents' demographic characteristics and overall perceptions of each variable. Pearson correlation analysis was conducted to examine the strength and direction of the relationships between capacity strengthening, motivation type, and project performance.

Multiple linear regression analysis was then used to test the direct effect of capacity strengthening and motivation type on project performance. Prior to inferential analysis, normality of the data was assessed using the Kolmogorov-Smirnov and Shapiro-Wilk tests, along with histograms and skewness/kurtosis values, to confirm the appropriateness of the data for parametric testing**.**

3.9. Validity and Reliability of Data and Instrument

Validity is an essential element of research; validity is what gives significance to the study's findings. According to S.U. Jen (2010), the validation of a research instrument involves ensuring that the instrument measures what it is intended to measure and nothing else. As S.U. Jen (2010) states, “the reliability of a research instrument is the degree to which that instrument consistently measures.

This study utilized a validated and reliable questionnaire, adapted from previous research, to assess the relationships between capacity-strengthening initiatives, project performance, and the mediating role of motivation type among Ethiopian humanitarian CSOs. For reliability, the study used a scale test used to produce Cronbach’s alphas which were then compared to the conventional cut-off point of 0.7. According to Field (2005), Pallant (2013), a Cronbach’s alpha higher than 0.7 indicates internal consistency on the instrument. Cronbach alphas were produced for each sub-scale, and the results are presented in Table 3.1.

Table 3.1: Reliability Statistics

Study Variables	No. of Items	Alpha Values
Capacity strengthening	7	0.838
Motivation Type	6	0.844
Project Performance	5	0.834

.

As shown from table 3.1 above, the alpha coefficient for reliability dimension for Capacity strengthening is 0.838, the alpha coefficient for Motivation of two types is 0.844, and the alpha coefficient for Project performance is 0.834. This shows that the data collected from the

employees at the Ethiopian Humanitarian National CSOs is reliable and consistent from the scale.

Also, checking the reliability test by taking all dimensions together gives us the more reliable alpha coefficient which is 0.898. This means that the dimensions used to measure the implementation of capacity strengthening in projects with motivation as mediating for this study are very consistent.

3.10. Ethical Considerations

Participants were informed of the study's purpose, assured of confidentiality, and given the right to withdraw at any time. Data was anonymized to protect identities and used solely for research purposes. By addressing the outlined methodologies, this study aimed to provide actionable insights into how Ethiopian Humanitarian National CSOs can enhance its Capacity strengthening to achieve superior Project performance.

CHAPTER FOUR

4. RESULTS

4.1. Introduction

This chapter presents data analysis the study findings on the examining organizational capacity strengthening's effect on project performance, mediated by motivation type, among Ethiopian humanitarian Civil Society Organizations (CSOs). The analysis is based on research questions and objectives as identified in chapter one of the study and then analyzed with the help of the statistical package for social science SPSS version 27 software. Research data were collected using a self-administered, structured questionnaire employing a five-point Likert scale, adapted from previously validated instruments (UNDP, 2008, 2009; Alizadeh, Norouzi, & Alizadeh, 2024; Kanyi, 2023) to capture respondents' perceptions of capacity strengthening, motivation type, and project performance. The questionnaire was designed with five scales that ranged from strongly agree to strongly disagree, with 5 representing Strongly Agree, 4 Agree, 3 Neutral, 2 Disagree, and 1 Strongly Disagree.

4.2. Response Rate and Sample Description

The study targeted a sample size of 95 respondents across five purposively selected Ethiopian humanitarian CSOs namely FIDO, ASDEPO, OWS-df, DEC and Hiwot Ethiopia from which 84 filled and returned the questionnaires making a response rate of 88.4%, which was considered adequate to carry out the research.

Table 4.1: Response Rate of Respondents

Target Population	No. of Questionnaires Distributed	Questionnaire returned	Response Rate
95	84	**50.53%**	**49.47%**

Source: Own survey 2026

A quantitative cross-sectional data set, collected through a self-administered questionnaire, was analyzed using the Statistical Package for Social Sciences (SPSS) version 27. The analysis begins with a statistical description of the respondents' sociodemographic characteristics.

The discussion has been structured to address the objective of this study, answer the research questions asked and assess the importance of the research hypotheses.

The analysis of data for this research project began with differentiating the data through coding the data for all items within each dimension (e.g., for the questions associated with CP1 – CP7, MO1 - MO6, and PE1 - PE5). Each of these coded responses was then imported into SPSS version 27 for further analysis. In order to perform the analysis, the questions that made up each dimension were calculated by creating new variables for each dimension (using the Transform > Compute Variable function in SPSS) and calculating the average Likert scale score from 1 to 5 for each new variable created.

4.3. Descriptive Frequency

4.3.1. Respondent's Personal Background

The study sought to establish the background information of the respondents regarding their gender, age, level of education, years worked in the organization, and position held in Ethiopian Humanitarian CSOs sector.

Table 4.2: Background information of respondents

Respondent's Personal Background		Frequency	Percent
Gender	Male	21	25%
	Female	63	75%
	Total	**84**	
Age	20-29	21	25%
	30-39	22	26.2%
	40-49	21	25%
	50 and above	20	23.8%
	Total	**84**	
Educational Level	Bachelor's Degree	19	22.6%
	Master's degree	63	75%

	PhD	2	2.4%
	Total	**84**	
Years of Experience	1 - 3 years	30	35.7%
	4 - 6 years	5	6.0%
	Less than one year	5	6.0%
	More than 6 years	44	52.84%
	Total	**84**	
Position	Program officer	6	7.1%
	Project Management/Coordinator	19	22.6%
	Senior Management staff	41	48.8%
	Support staff	18	21.4%
	Total	**84**	
Department	Finance	9	10.7%
	IT and Digital solution	4	4.8%
	Monitoring and Evaluation	2	2.4%
	Program/Operation	55	65.5%
	Other	14	16.7%
	Total	**84**	

Source: Own survey, 2026

As shown in the above table 4.2 regarding the gender distribution of respondents among 84 respondents, males comprised the majority at 63 individuals (75.0%), while females accounted for 21 (25.0%), that implies that there were more male respondents compared to female respondents in the study.

As shown in table 4.3 Respondents were evenly spread across age groups, with 22 (26.2%) aged 30–39 years, 21 (25.0%) in the 20–29 range, another 21 (25.0%) between 40–49 years, and 20 (23.8%) aged 50 and above.

The findings of this study indicated that the majority of the respondents with 63 respondents (75.0%) holding master's degrees, 19 (22.6%) have bachelor's degrees, and 2 (2.4%) with PhDs. This implies that most of the respondents were well educated.

In terms of job positions, including 41 senior management staff (48.8%), 19 project managers or coordinators (22.6%), 18 support staff (21.4%), and 6 program officers (7.1%). This distribution highlights that the majority of participants are either operation or management, indicating a balanced mix of perspectives from different organizational levels

According to the result table The majority respondents were Program and operations departments dominated with 55 respondents (65.5%), followed by 14 (16.7%) in "other" categories, 9 (10.7%) from finance, 4 (4.8%) in IT and digital solutions, and 2 (2.4%) from monitoring and evaluation.

With respect to work experience, 44 respondents (52.4%) having more than 6 years in their organizations, 30 (35.7%) with 1–3 years, 5 (6.0%) at 4–6 years, and 5 (6.0%) under one year. This implies that a significant proportion of respondents have extensive experience, with more than 6 years in their respective roles.

Respondents reported that capacity strengthening interventions received in the past two years covered a wide range of organizational and technical areas. These included financial reporting, leadership development, monitoring and evaluation (M&E), proposal writing, project methodology management, and technical skill enhancement. The results further indicate that these capacity strengthening areas were not delivered in isolation but rather in multiple combinations across respondents.

The frequency distribution shows that several respondents were exposed to integrated capacity strengthening packages that combined more than one focus area, such as financial reporting with leadership, or project methodology management with monitoring and evaluation.

Similarly, capacity strengthening initiatives tend to be very multi-dimensional in nature as identified in the report's combination of proposal writing, technical skills and leadership to enhance an organization's capacity was generally included combinations of at least three of these components.

4.4. Descriptive Statistics

Descriptive statistics were used to compute means and standard deviations for the variable's organizational capacity strengthening, motivation type and project performance and provided through summary measures for central tendency and dispersion of responses across 84 respondents from Ethiopian CSOs working in humanitarian assistance.

4.4.1. Descriptive Statistics for questionnaires related to Capacity Strengthening

Table 4.3: Descriptive Statistics of questionaries' responses related to Capacity strengthen

No.	Capacity strengthening Questions	N	Mean	StD
1	Capacity strengthening initiatives are aligned with organizational needs.	84	4.19	0.667
2	Capacity strengthening initiatives are primarily driven by donor requirements.	84	3.57	1.101
3	Capacity strengthening improves the efficient use of organizational resources.	84	4.21	0.808
4	The tools and skills learned are used beyond specific donor-funded projects.	84	3.90	1.048
5	Capacity strengthening initiatives support the long-term development of the organization.	84	4.21	0.865
6	Training and skills development programs have improved staff competencies relevant to project delivery.	84	4.29	0.704
7	Staff capacity building has directly contributed to improved project implementation quality.	84	4.36	0.722

Source: Own Survey, 2026

The above table presents respondents' perceptions of organizational capacity strengthening across seven items, with mean scores ranging from 3.57 to 4.36 on the five-point Likert scale. Respondents most strongly agreed that staff capacity building has directly contributed to improved project implementation quality (CP7, M = 4.36, SD = 0.722), followed closely by the view that training and skills development programs have improved staff competencies relevant to project delivery (CP6, M = 4.29, SD = 0.704). These results suggest that respondents perceive capacity-strengthening efforts as having a tangible, practical effect on how staff perform their day-to-day project work.

In contrast, the item assessing whether capacity-strengthening initiatives are primarily driven by donor requirements (CP2) recorded the lowest mean score (M = 3.57, SD = 1.101) and the highest standard deviation among all capacity strengthening items, indicating greater disagreement and variability in respondents' views on this point. This suggests that, while staff broadly experience capacity strengthening as relevant and useful to their work, there is less consensus on whether these initiatives are primarily compliance-driven, with some respondents perceiving a stronger donor influence than others.

Overall, with all seven items scoring above the midpoint of 3.0, the findings indicate a generally high level of agreement that capacity-strengthening initiatives are aligned with organizational needs, improve resource use, and support long-term organizational development. However, the comparatively lower and more dispersed score on CP2 hints at an underlying tension between donor-driven compliance and organization-led capacity development a theme this study examines further in the regression and mediation analysis.

4.4.2. Descriptive Statistics for questionnaires related to Types of Motivations

Regarding **motivation type**, the mean scores ranged between 4.00 and 4.40. The highest mean was reported for MO2 (M = 4.40, SD = 0.793), while the lowest was MO6 (M = 4.00, SD = 0.931). This indicates that respondents generally agree that motivation factors are strongly associated with capacity strengthening activities.

Table 4.4: Descriptive Statistics of questionaries' responses related to Motivation Type

No.	Motivation Questions	N	Mean	StD
1	Because I gain satisfaction from improving my organization's capacity through learning and development activities.	84	4.12	0.629
2	Because strengthening our organizational capacity is an important part of who we are as an organization.	84	4.40	0.793
3	For the satisfaction we experience when successfully applying new skills to improve project implementation.	84	4.19	0.591
4	Because capacity strengthening is necessary to meet donor requirements and secure funding.	84	4.29	0.769
5	Because improving organizational capacity helps us achieve externally defined project targets and objectives.	84	4.14	0.838
6	Because failure to meet expected standards would reflect poorly on our organization.	84	4.00	0.931

Source: Own Survey, 2026

The above table 4.4 presents respondents' perceptions across six motivation items, with mean scores ranging from 4.00 to 4.40 on the five-point Likert scale. The highest level of agreement was recorded for MO2 (M = 4.40, SD = 0.793), which measures the extent to which strengthening organizational capacity is seen as a core part of the organization's identity and an improvement-driven, intrinsic motivation item. This suggests that respondents largely view capacity strengthening as something the organization values for its own sake, rather than purely as an externally imposed obligation.

The lowest mean was recorded for MO6 (M = 4.00, SD = 0.931), which captures motivation driven by the concern that failing to meet expected standards would reflect poorly on the organization a compliance-driven, extrinsic motivation item. Although still relatively high in absolute terms, its comparatively lower score and higher standard deviation indicate more variation in how strongly respondents are driven by reputational or external pressure.

4.4.3. Descriptive Statistics for questionnaires related to Project Performance

Table 4.5: Descriptive Statistics of questionaries' responses related to Project Performance

No.	Project Performance Questions	N	Mean	StD
1	Project activities are delivered on time and to the quality standards agreed with stakeholders.	84	4.17	0.725
2	Projects implemented by our organization consistently meet their stated objectives and expected results	84	4.17	0.876
3	Our organization effectively reaches targeted beneficiary groups with appropriate humanitarian assistance.	84	3.93	1.015
4	Projects are completed within approved budgets without significant cost overruns.	84	3.88	1.057
5	Capacity strengthening has improved our ability to design and implement programs with lasting impact.	84	4.24	0.722

Source: Own Survey, 2026

The Table 4.5 presents respondents' perceptions of project performance across five items, with mean scores ranging from 3.88 to 4.24 on the five-point Likert scale. The highest level of agreement was recorded for PE5 (M = 4.24, SD = 0.722), which measures the extent to which capacity strengthening has improved the organization's ability to design and implement programs with lasting impact. This suggests that respondents most strongly associate capacity-strengthening efforts with improvements in program design and long-term impact, more so than with other operational aspects of performance.

The lowest mean was recorded for PE3 (M = 3.88, SD = 1.057), which assesses the organization's effectiveness in reaching targeted beneficiary groups with appropriate humanitarian assistance. This item also showed the highest standard deviation among the five, indicating greater variability in respondents' perceptions of beneficiary reach compared to other performance dimensions.

Combined with PE4 (M = 3.88, SD = 1.057, completed within approved budgets), this pattern suggests that while organizations are perceived to perform well in program design and meeting stated objectives, operational execution specifically beneficiary targeting and budget adherence is viewed somewhat less favorably and less consistently across respondents.

4.5. Inferential Analysis

According to Gujarati (2009), correlation between two variables measures the degree of linear association between them. To find the association of independent variables with the effectiveness of correlation coefficient was used. The values of the correlation coefficient are always ranged between +1.0 and -1.0. A correlation coefficient of positive one indicates a perfect positive association between the two variables, while a correlation coefficient of negative one indicates a perfect negative association between the two variables. A correlation coefficient of zero indicates that there is no linear relationship between the two variables or does not necessarily have.

4.5.1. Correlation Analysis

A Pearson correlation analysis was conducted to examine the relationship between organizational capacity strengthening and project performance among Ethiopian humanitarian CSOs.

The findings show that organizational capacity strengthening indicators (CP1–CP7) have generally positive and statistically significant relationships with project performance indicators (PE1–PE5). For instance, CP1 was positively and significantly correlated with PE1 ($r = .382$, $p < .01$), PE2 ($r = .399$, $p < .01$), and PE5 ($r = .505$, $p < .01$). CP3 has strong relationships with PE2 ($r = .324$), PE4 ($r = .270$), and PE5 ($r = .325$). CP4 has strong correlations with PE1 ($r = .555$), PE3 ($r = .225$), and PE5 ($r = .253$).

CP5 has strong correlations with PE1 ($r = .647$) and PE4 ($r = .380$). CP6 is highly positively correlated with PE1 ($r = .745$), PE2 ($r = .330$), PE3 ($r = .234$), and PE5 ($r = .386$). CP7 shows positive and significant correlations with PE1 ($r = .161$), PE2 ($r = .286$), PE3 ($r = .068$), PE4 ($r = 0.553$), and PE5 ($r = .451$). On the other hand, CP2 does not have strong or significant correlational value with some of the project performance variables such as PE1 ($r = -.060$) and PE2 ($r = -.025$).

Table 4.6: Correlation analysis

Correlations

Correlations

		Mean_CP	Mean_MO	Mean_PE
Mean_CP	Pearson Correlation	1	.617**	.319**
	Sig. (2-tailed)		.000	.003
	N	84	84	84
Mean_MO	Pearson Correlation	.617**	1	.618**
	Sig. (2-tailed)	.000		.000
	N	84	84	84
Mean_PE	Pearson Correlation	.319**	.618**	1
	Sig. (2-tailed)	.003	.000	
	N	84	84	84

The analysis reveals there is a statistically significant and consistent relationship between the stronger an organization's capacity and improved performance against projects delivered by Ethiopian CSOs. The support of this conclusion continues to validate that building capacity is an important part of delivering successful outcomes to projects What the results further show is that dimensions related to building capacity (i.e. CP6, CP5 & CP7), are associated with improved project performance. However, there appears to be limited association between the capacity dimension of CP2 and improved project performance.

4.5.2. Regression Analysis

A multiple linear regression analysis was performed to determine the influence of capacity building through organizational capabilities and types of motivational practices on project outcomes of Ethiopian CSOs working in humanitarian assistance.

The tables below provide an overview of findings as displayed through the descriptive statistics for project outcomes (Mean_PE) indicated a mean value of 4.0762 (SD = 0.68997) and mean values for capacity building (Mean_CP) equalling 4.1944 (SD = 0.66558) and motivational type (Mean_MO) equalling 4.1905 (SD = 0.57569) based upon 84 total surveys completed.

The correlation data for project outcomes revealed a positive correlation with both types of capacity building ($r = 0.319$; $p < 0.01$) and type of motivation ($r = 0.618$; $p < 0.01$). Additional results also indicate that there is a positive correlation between capacity building with motivation ($r = 0.617$; $p < 0.01$).

Based upon these results, it can be concluded that humanitarian CSOs in Ethiopia are performing at high levels on capacity, motivation, and project outcomes; with the project outcome being moderately correlated to capacity, strongly correlated to motivation and closely correlated to the capacity and type of motivational method used.

The model summary demonstrates that there is a good fit for the regression model when predicting variance of project outcomes; as demonstrated by an overall R value of 0.623, and R^2 value of 0.388. Therefore, 38.8% of variance in project outcomes may be predicted using capacity building and type of motivation of those working within the humanitarian CSOs in Ethiopia, with an adjusted R^2 value of 0.373, and standard error of the estimate equating to 0.54619.

This shows that organizational capacity strengthening and motivation type together explain a meaningful and statistically reliable share of differences in project performance among Ethiopian humanitarian CSOs.

Table 4.7: Regression Model with R value

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.623[a]	.388	.373	.54619	.388	25.723	2

Model Summary[b]

Model	Change Statistics	
	df2	Sig. F Change
1	81	.000

a. Predictors: (Constant), Mean_MO, Mean_CP

b. Dependent Variable: Mean_PE

The ANOVA results show that the overall regression model is statistically significant, $F(2, 81) = 25.723$, $p < 0.001$, indicating that the model is a good fit for predicting project performance.

The result confirms that the regression model is statistically significant, demonstrating that capacity strengthening and motivation type together provide a strong and reliable basis for predicting project performance.

Table 4.8:

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.348	2	7.674	25.723	.000[b]
	Residual	24.164	81	.298		
	Total	39.512	83			

a. Dependent Variable: Mean_PE

b. Predictors: (Constant), Mean MO, Mean CP

Regression analysis Model by ANOVA

The coefficients table shows that motivation type has a statistically significant positive effect on project performance ($B = 0.815$, $\beta = 0.680$, $t = 6.162$, $p < 0.001$). However, capacity strengthening does not show a statistically significant effect on project performance ($B = -0.104$, $\beta = -0.101$, $t = -0.911$, $p = 0.365$). The constant value is 1.097 ($p = 0.020$).

Table 4.9: Coefficient

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.097	.462		2.377	.020
	Mean_CP	-.104	.114	-.101	-.911	.365
	Mean_MO	.815	.132	.680	6.162	.000

Coefficients[a]

Model		95.0% Confidence Interval for B		Collinearity Statistics	
		Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.179	2.016		
	Mean_CP	-.332	.123	.620	1.614
	Mean_MO	.552	1.078	.620	1.614

4.5.3. Normality Test

The normality of the data was assessed using both statistical tests (Kolmogorov Smirnov and Shapiro Wilk) and graphical methods including histograms and normal Q-Q plots for the variables of capacity strengthening (Mean_CP), motivation type (Mean_MO), and project performance (Mean_PE), based on 84 respondents.

The Kolmogorov Smirnov tests showed that all of the variables were statistically significant at $p < 0.05$ for Mean_CP ($D = .130$, $p = .001$); Mean_MO ($D = .275$, $p < .001$) and Mean_PE ($D = .178$, $p < .001$). There was also a high level of significance for all three variables according to the Shapiro–Wilk test: Mean_CP ($W = .887$. $p < .001$); Mean_MO ($W = .799$; $p < .001$); and Mean_PE ($W = .865$; $p < .001$).

Table 4.10: Test of Normality with Kolmogorov Smirnov and Shapiro Wilk

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
mean cp	.130	84	.001	.887	84	.000
mean mo	.275	84	.000	.799	84	.000
mean pe	.178	84	.000	.865	84	.000

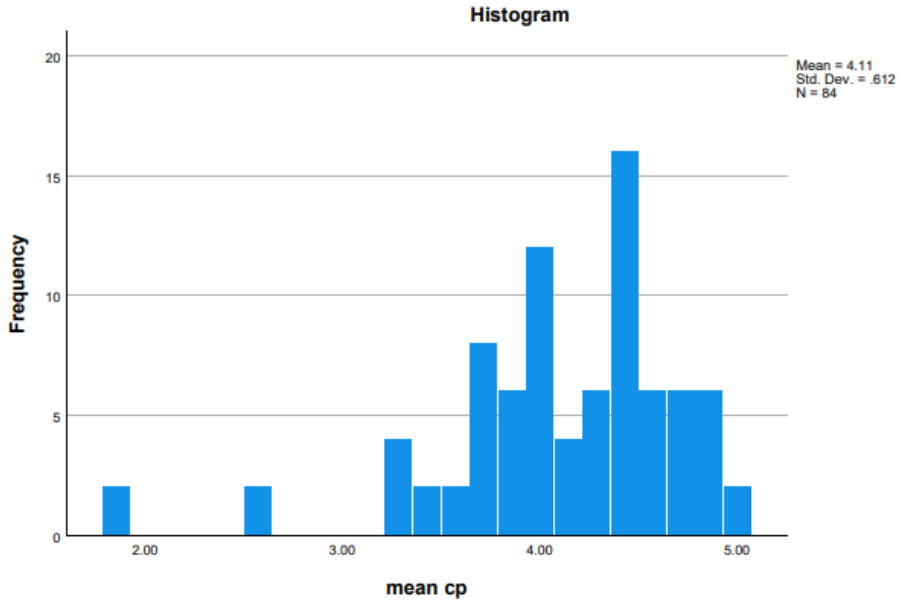
Skewness and kurtosis values fall within an acceptable range for social science research with skewness values ranging from -2.061 to -1.460 and kurtosis values indicating that there was not an extreme deviation from normal. Histogram distributions of all variables were close to a bell shape and normal Q–Q plots provided visual evidence of reasonable overall alignment with the diagonal line, with only minor deviations evident at the tails.

Table 4.11: Descriptive statistics of skewness and kurtosis values

Descriptive Statistics

				Bootstrap[a]			
						95% Confidence Interval	
		Statistic	Std. Error	Bias	Std. Error	Lower	Upper
mean cp	N	84		0	0	84	84
	Skewness	-1.460	.263	.119	.362	-1.925	-.401
	Kurtosis	3.275	.520	-.423	1.377	.032	5.623
mean mo	N	84		0	0	84	84
	Skewness	-2.061	.263	.283	.646	-2.594	-.155
	Kurtosis	7.608	.520	-1.149	2.828	.406	11.669
mean pe	N	84		0	0	84	84
	Skewness	-1.529	.263	.092	.288	-1.991	-.819
	Kurtosis	3.105	.520	-.306	1.331	.558	5.933
Valid N (listwise)	N	84		0	0	84	84

Figure 4.1: Histogram representing and Normality test of Capacity strengthening



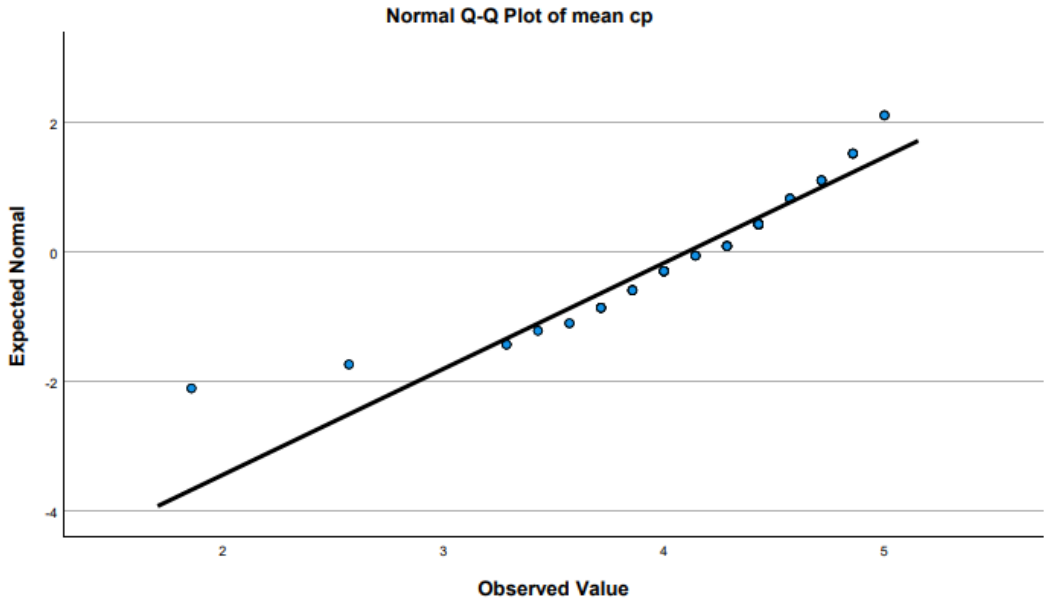


Figure 4.2: Histogram and Normality test representation of Motivation Type

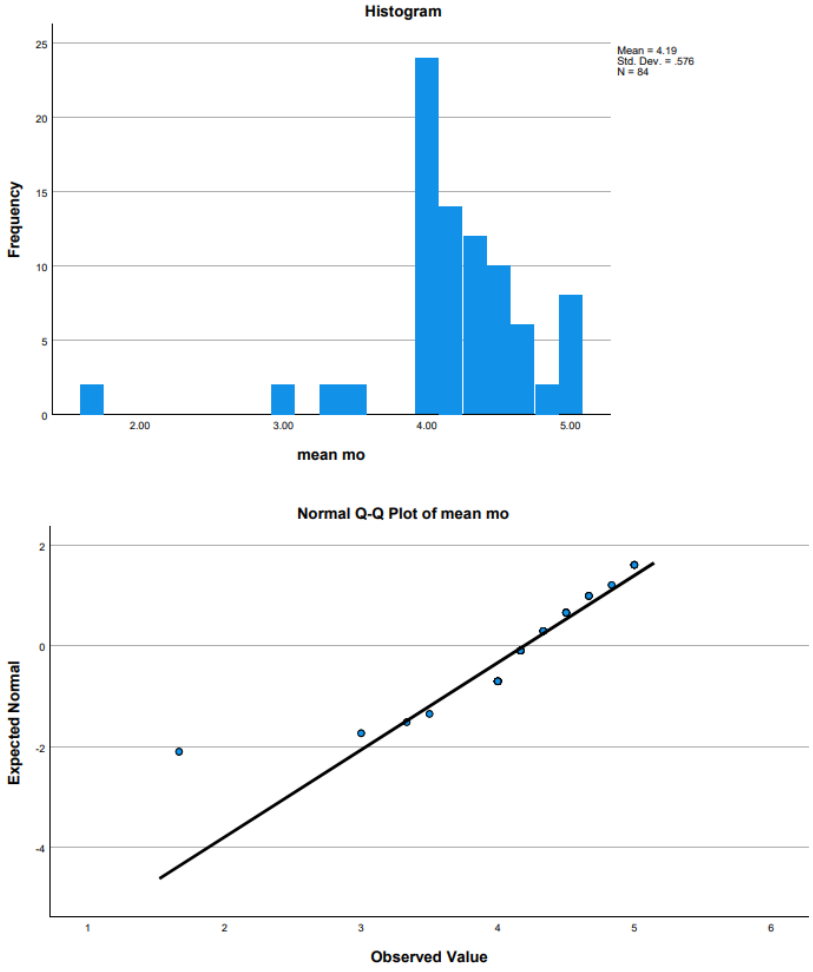
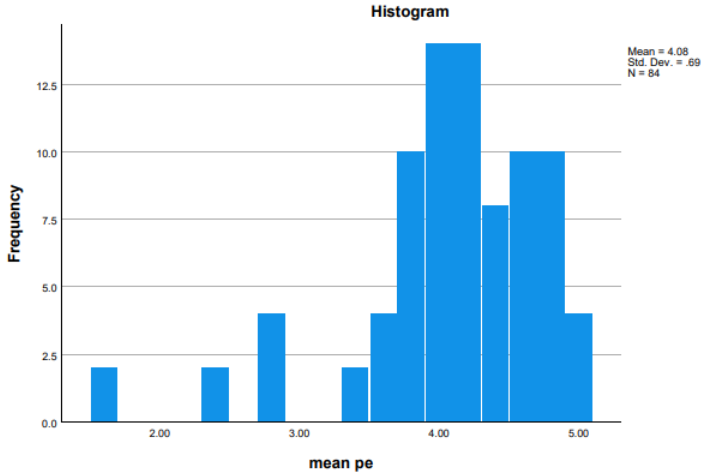
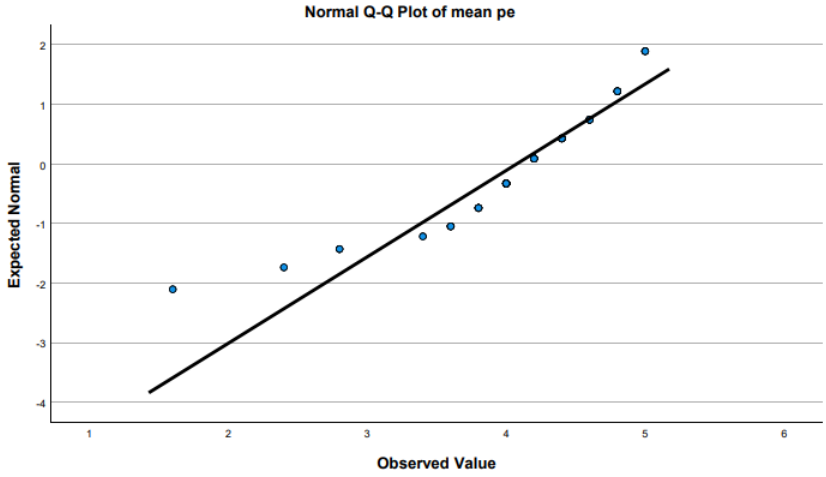


Figure 4.3: Histogram and Normality test representation of Project Performance





In addition, the histograms for all variables showed approximately bell-shaped distributions, while the normal Q-Q plots indicated that the data points were reasonably aligned along the diagonal line, with minor deviations at the tails.

4.6. Discussion and Interpretation

4.6.1. Effect of Capacity Strengthening on Project Performance

Results indicated a positive moderate correlation of capacity strengthening with project performance with r-value of .319 at a .003 significance level. These findings support the existing literature that demonstrates that organizational capacity development positively influences project performance. However, regression results indicated a positive but not statistically significant direct relationship between capacity strengthening and project performance, control

for motivation type, despite strong bivariate relationships (e.g., CP1-PE5 r=.505, p<.01 CP4-PE1 r=.555, p<.01). Within Ethiopian civil society organizations, donor-directed capacity developing interventions (e.g. financial reporting, CP7: M=4.36) may be more oriented around meeting compliance than integrating the funder's objectives internally; technical inputs such as monitoring and evaluation (M&E) or proposal preparation provide limited benefits on their own without alignment around motivation. The pattern of association is in line with the framework's dashed direct arrow indicating that capacity development activities improve capability but are in support of a motivational mediation type of relationship to provide tangible outcomes such as time (PE3) or impact (PE5).

The findings provide evidence that for most of the capacity development dimensions, but particularly for CP6, CP5, and CP7, there is a positive, consistent relationship to project performance; however, there is little evidence that CP2 has a significant influence on project success. Capacity is not the only factor to predicting project performance; however, there is enough evidence to suggest that motivation is a mediator in the relationship between these two variables. The present finding is consistent with Self-Determination Theory (Deci & Ryan, 1985) which states that learning and developmental activities will only lead to improved project performance when they are truly internalized and converted into intrinsic motivation to do so.

The model accounted for 38.7% of the variance in project performance (R2 = .387), indicating that capacity strengthening and motivation are both indicative of project performance; there still exists an additional 61.3% of project performance that is due to other predicted factors. Possible future research could examine organizational culture, availability of resources, quality of leadership, and external factors of the local operating environment as being other predictors of project performance in the future.

4.6.2. Role of Motivation Type in Project Performance

A strong positive relationship existed between motivation type and project performance (p<.01); mean scores on high levels of motivation suggest this as the most important factor to overall performance level (e.g., MO2 = 4.40); items representing improvement-based motivation had a strong predicting power for both the efficiency (PE1) and sustainability (PE5) of the project consistent with self-determination theory, which states that intrinsic motivation increases the ability to apply one's skill set.

Given that CSOs employ predominantly staff with experience of 6 years or more (52.4%) and are focused primarily on programs (65.5%), these results suggest that extrinsic motivating factors are the baseline of performance for people working in the humanitarian context and that internalized motivating factors are what produce superior outcomes, supported by strong correlations (CP5-PE1) (r=.647). This study adds to the literature supporting motivation as the critical element in the success of humanitarian projects in unstable environments.

4.6.3. Compliance VS Genuine Organizational Improvement

Findings indicate that strengthening organizational capability among Ethiopian humanitarian civil society organizations will be influenced more by internal motivations for organizations to improve their performance than by donor compliance. The donor compliance item (CP2) recorded the lowest mean score (M = 3.57, SD = 1.101) among all capacity strengthening items and was the only item with a negative corrected item-total correlation (r = -.018), indicating it measured a fundamentally different construct from the other capacity strengthening items.

Nevertheless, the relatively higher mean of MO4 (M = 4.29) which measures motivation to meet donor requirements and secure funding suggests that donor compliance remains a significant motivating factor alongside genuine improvement orientation. This dual motivation pattern is consistent with the findings that NGOs often navigate a tension between donor accountability and genuine organizational development.

4.6.4. Gaps Between Capacity Building and Practical application

There are sizable gaps between building capacity and implementing it effectively at the project level based on analysis of item-level correlations between the two.

While capacity strengthening items showed stronger correlations with program design improvement (PE5) and timely project delivery (PE1), notably weak correlations were found with budget management (PE4) and beneficiary reach (PE3)."

Specifically, CP7 showed virtually no correlation with PE4 (budget management) (r = -.007, p = .951), and CP5 showed negligible correlation with PE3 (r = .045, p = .684). These findings suggest that while training is being received across multiple capacity areas including financial

reporting and technical skills, this is not adequately translating into improved financial management and direct service delivery outcomes.

The gap identified in this study points to a critical need for post training support mechanisms and on the job application frameworks within Ethiopian humanitarian CSOs

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This study investigated the effectiveness of Capacity strengthening on Project performance, emphasizing the mediating role of Motivation type. Data were collected from 5 Ethiopian national humanitarian national CSOs, employees through an online google form and analyzed using descriptive statistics, regression, and mediation analysis.

5.2. Key Findings

This examination of data from the five different Civil Society Organizations (CSO) reported 84 participants and Capacity building produced good results with mean scores of between 3.57-4.36; Motivating type produced mean scores of between 4.00-4.40 and Project performance produced high mean scores of 3.88-4.24. This suggests that respondents from the CSO's hold a positive view of the CSO position and performance.

The results for correlation analysis used the Pearson Bivariate correlation coefficient and show that the majority of the results revealed a statistically significant positive correlation (e.g., CP6-PE1: $r = .745$, $p < .01$, CP7 All P.E.: $r = .161$-553, $p < .05$-$.01$), however several correlations analyzed showed very low or no significance (e.g., CP2-PE2: $r = -.060$, $p > .05$).

Through regression analysis, it was confirmed that motivation type had a significant, direct, positive relationship with project performance (β statistically significant, $p < .01$), while the direct effect of capacity strengthening upon project performance was reduced to a non-significant number after being mediated; thus 38.8% of the variance in performance was explained by the latent variable, which is consistent with the conceptual framework's mediation hypothesis.

Despite reporting to have received extensive, broad-based training in various aspects of capacity building, there appears to exist a large gap between the delivery of capacity building activities and actual implementation results, especially with respect to budget management (PE4) and the number of beneficiaries reached (PE3).

5.3. Conclusion

Based on the findings, it is concluded that organizational capacity strengthening positively influences project performance through motivation type mediation among Ethiopian humanitarian CSOs. These Organizations can achieve substantial performance improvements by fostering Capacity strengthening and robust Motivation type.

Organizational performance requires not only investment in capacity development but also attention to the motivational context in which such efforts are implemented. Donor Compliance remains a secondary but significant motivating factor, reflecting the complex accountability environment in which this organization operates to integrate customer insights effectively. A significant gap exists between capacity building certifications and their practical application in project management and delivery highlighting systemic weaknesses in post training application support within these organizations. The quality, relevance and follow through of capacity strengthening initiatives are as important as their quantity and frequency.

5.4. Recommendations

1. Ethiopian Humanitarian CSOs should establish post Training application frameworks to bridge the gap between capacity building and practical implementation
2. Donor agencies should shift from compliance-based capacity building requirements to genuine organizational development framework
3. Capacity strengthening programs should be designed to enhance intrinsic motivation, not just technical skills.
4. Capacity development programs should be designed to promote organizational motivation as well as technical skills.
5. The Ethiopian government in collaboration with the ACSO must establish national standards for building capacity among humanitarian civil society organizations.

5.5. Limitations

Self-reported data may introduce common method bias, though procedural remedies (e.g., anonymous surveys) mitigated this. The cross-sectional design limits causality claims:

longitudinal follow-ups could track post-intervention shifts. The samples were predominantly drawn from operation department and senior management staff who were mostly engaged in implementing field projects, which may have introduced an implementation bias overlooking other perspectives.

5.6. Future Studies

The future research should incorporate additional variables such as organizational culture, leadership, and resource availability that may explain the variance in project performance not captured by this study. A longitudinal design is also recommended to track how motivation type evolves over time and how its mediating effect changes following capacity-strengthening interventions. Additionally, future studies should expand the sample beyond the five CSOs examined here to include international NGOs and government-affiliated actors, and explore the capacity–motivation–performance relationship across other East African countries to assess whether these findings are specific to Ethiopia or reflect broader regional patterns

REFERENCES

- Acquaye-Baddoo, N. A. (2010). *Recognizing and utilizing capacity development*. UNDP.
- Al-Zubaidi, A., Taylor, J., & Kamal, S. (2024). Strengthening localisation through capacity building and inclusion in Iraq. *Disasters*, 48(1), 1–20.
- Andrews, R., & Van de Walle, S. (2013). New public management and citizens' perceptions of local service efficiency, responsiveness, equity and effectiveness. *Public Management Review*, 15(5), 762–783.
- Audet, F. (2012). What future role for local organizations? A reflection on the need for humanitarian capacity building. *International Review of the Red Cross*, 93(884), 1151–1170.
- Barbelet, V. (2018). *As local as possible, as international as necessary: Understanding capacity and complementarity in humanitarian action*. Overseas Development Institute.
- Barbelet, V., Davies, G., Flint, J., & Davey, E. (2021). *Interrogating the evidence base on humanitarian localisation: A literature study*. Humanitarian Policy Group, ODI.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–120.
- Barney, J. B., Ketchen, D. J., & Wright, M. (2011). The future of resource-based theory. *Journal of Management*, 37(5), 1299–1315.
- Baruch, Y., & Ramalho, N. (2006). Communalities and distinctions in the measurement of organizational performance and effectiveness across for-profit and nonprofit sectors. *Nonprofit and Voluntary Sector Quarterly*, 35(1), 39–65.
- Brothers, J., & Sherman, A. (2012). *Building nonprofit capacity: A guide to managing change through organizational lifecycle*. Jossey-Bass.
- Cairns, B., Harris, M., & Hutchison, R. (2005). *Common challenges in nonprofit performance assessment*. Charities Evaluation Services.
- Chaplowe, S. G., & Cousins, J. B. (2012). *Monitoring and evaluation training: A systematic approach*. SAGE.
- Christensen, R. A., & Ebrahim, A. (2006). How does accountability affect mission? The case of a nonprofit serving immigrants and refugees. *Nonprofit Management & Leadership*, 17(2), 195–209.

- Christoplos, I. (2005). Institutional capacity building amid humanitarian action. In *ALNAP Review of Humanitarian Action in 2004: Capacity Building* (pp. 29–71). ODI.
- Christoplos, I., Engstrand, K., & Hedqvist, A. L. (2014). *Capacity development literature review*. Sida.
- Clements, J. P., & Gido, J. (2003). *Effective project management*. South-Western.
- Deci, E. L., & Ryan, R. M. (2000). The "What" and "Why" of Goal Pursuits: Human Needs and the Self-Determination of Behavior. *Psychological Inquiry*, *11*(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01
- De Geoffroy, V., & Grunewald, F. (2018). More than just luck: The role of leadership in humanitarian effectiveness. *Humanitarian Exchange*, 70.
- De Wal, T. (2005). Capacity development in practice. *Development in Practice*, 15(3–4), 446–450.
- Doherty, A. (2009). The volunteer legacy of a major sport event. *Journal of Policy Research in Tourism, Leisure and Events*, 1(3), 185–207.
- Eade, D. (1997). *Capacity building: An approach to people-centred development*. Oxfam.
- Ebrahim, A. (2003). Accountability in practice: Mechanisms for NGOs. *World Development*, 31(5), 813–829.
- Eisinger, P. (2002). Organizational capacity and organizational effectiveness among street-level food assistance programs. *Nonprofit and Voluntary Sector Quarterly*, 31(1), 115–130.
- Fast, L., & Bennett, C. (2020). From "localisation" to local humanitarian leadership. *ODI HPG Working Paper*.
- Frennesson, L., Kembro, J., de Vries, H., Jahre, M., & Van Wassenhove, L. (2022). Strategic choices for international humanitarian organizations: Localization and logistics preparedness. *International Journal of Disaster Risk Reduction*, 83, 103410. https://doi.org/10.1016/j.ijdrr.2022.103410
- Frennesson, L., Kembro, J., de Vries, H., Van Wassenhove, L., & Jahre, M. (2021). Localisation of logistics preparedness capacities: Obstacles to implementation from the IHO perspective. *Journal of Humanitarian Logistics and Supply Chain Management*, 11(1), 81–106.
- Gazley, B. (2010). Why not partner with local government? *Nonprofit and Voluntary Sector Quarterly*, 39(1), 51–76.

- Hall, M., Andrukow, A., Barr, C., Brock, K., de Wit, M., Embuldeniya, D., … Jolin, L. (2003). *The capacity to serve: A qualitative study of the challenges facing Canada's nonprofit and voluntary organizations*. Canadian Centre for Philanthropy.
- Herman, R. D., & Renz, D. O. (1999). Theses on nonprofit organizational effectiveness. *Nonprofit and Voluntary Sector Quarterly*, 28(2), 107–126.
- Kanyi, J. K. (2023). *Capacity building and performance of donor-funded projects* in Nairobi City County, Kenya, Kenyatta University).
- Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard—Measures that drive performance. *Harvard Business Review*, 70(1), 71–79.
- Koch, D.-J., & Schulpen, L. (2018). Capacity development or capacity erosion? *Third World Quarterly*, 39(12), 2340–2357.
- Latham, G. P., & Locke, E. A. (1991). Self-regulation through goal setting. *Organizational Behavior and Human Decision Processes*, 50(2), 212–247.
- Lewis, J. P. (2002). *Project planning, scheduling & control*. McGraw-Hill.
- Lusthaus, C., Anderson, G., & Murphy, E. (1995). *Institutional assessment: A framework for strengthening organizational capacity*. IDRC.
- Matter, K., & Francisco, A. A. da S. (2007). Strengthening civil society capacity. Pathfinder International.
- Minzner, A., Klerman, J. A., Markovitz, C. E., & Fink, B. (2014). The impact of capacity-building programs. *American Journal of Evaluation*, 35(2), 237–257.
- Munyigi, G. S., et al. (2024). Capacity building and project performance in devolved governance. *Journal of Public Administration*.
- Nordin, N., Khatibi, A., & Azam, S. M. F. (2022). Nonprofit capacity and social performance: Mapping the field. *Management Review Quarterly*, 72, 1–35.
- Omondi, S. O. (2018). Influence of capacity building on project performance. *International Journal of Project Management*, 36(3), 455–467.
- Pallas, C. L., & Nguyen, L. (2018). Donor-driven capacity building. *Voluntas*, 29(2), 316–332.
- Potter, C., & Brough, R. (2004). Systemic capacity building: A hierarchy of needs. *Health Policy and Planning*, 19(5), 336–345.

- Save the Children International. (2017). *Partnership and capacity strengthening framework*.
- Slim, H. (1997). Doing the right thing. *Disasters*, 21(3), 244–257.
- Sobeck, J. L., & Agius, E. (2007). Organizational capacity building. *Journal of Community Practice*, 15(1–2), 7–22.
- Tremblay, M. A., Blanchard, C. M., Taylor, S., Pelletier, L. G., & Villeneuve, M. (2009). *Work Extrinsic and Intrinsic Motivation Scale: Its value for organizational psychology research*. **Canadian Journal of Behavioral Science / Revue canadienne des sciences du comportment, 41**(4), 213–226. https://doi.org/10.1037/a0015167
- Ryan, R. M., & Deci, E. L. (2000). *Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being*
- United Nations Development Programme *(2008). Capacity Development: A UNDP Primer* UNDP
- UNDP. (2009). *Capacity development: UNDP primer*. UNDP.
- Van Geene, J. (2003). *Capacity building in development cooperation*. SNV.
- Weber, P., Krawczyk, K., Ezeonu, B. I., & Tuggle, F. (2022). How to leverage action research to develop context-specific capacity building for civil society organizations. *Nonprofit Policy Forum*, 14(3).
- Westland, J. (2006). *The project management life cycle*. Kogan Page.
- Whitty, S. J. (2005). A process model for project management. *International Journal of Project Management*, 23(2), 97–106.

APPENDIX I

This Questionnaire is designed to collect data for a research study titled " **The Effect of Capacity strengthening on Project Performance; The Mediating Role of motivation type among Ethiopian Humanitarian CSOs** ".

The purpose of this survey is to understand that organizational capacity strengthening experiences is initiatives extend beyond donor compliance to produce meaningful and sustainable organizational improvements. Your response will be kept confidential and used only for academic purposes. The questionnaire might take about 3-5 minutes to complete. Thank you for your Participation.

Instructions: This research is conducted for academic purposes, so please try to fill it carefully and truthfully. For each of the questions, please tick [√] in the provided box the most suitable answer using the given scale. Please also answer all the questions to enhance the objective of the research.

SECTION 1: GENERAL BACKGROUND INFORMATION

1. Gender	☐ Female	☐ Male	☐ Prefer not to say	
2. Age	☐ 20-29	☐ 30- 39	☐ 40	☐ 50 and above
3. Educational Level	☐ diploma	☐ bachelor's degree	☐ master's degree	☐ PhD
4. Position in the organization	☐ Senior Management staff	☐ Project Manager/ Coordinator	☐ Program Officer	☐ Support staff
5. Department	☐ Program ☐ Monitoring and evaluation	☐ Finance ☐ HR	☐ IT ☐ Other	
6. Years of experience in the organization	☐ Less one year	☐ 1-3 years	☐ 4-6 years	☐ More than 6 years

7. What have been the primary focus areas of capacity strengthening you received in the last 2 years? (Select top three)

☐ Proposal Writing ☐ Project Methodology Management

☐ Financial Reporting ☐ Leadership

☐ Monitoring and Evaluation ☐ Technical skill enhancement

SECTION 2: ORGANIZATIONAL CAPACITY STRENGTHENING

Please rate statements on a **5-point Likert scale**

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

	1	***2***	***3***	***4***	***5***
1. Capacity strengthening initiatives are aligned with organizational needs.					
2. Capacity strengthening initiatives are					

primarily driven by donor requirements.					
3. Capacity strengthening improves the efficient use of organizational resources.					
4. The tools and skills learned are used beyond specific donor-funded projects.					
5. Capacity strengthening initiatives support the long-term development of the organization.					
6. Training and skills development programs have improved staff competencies relevant to project delivery.					
7. Staff capacity building has directly contributed to improved project implementation quality.					
SECTION 3: MOTIVATION TYPE					
Please rate statements on a **5-point Likert scale** 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree					
	1	***2***	***3***	***4***	***5***
1. Because I gain satisfaction from improving my organization's capacity through learning and development activities.					
2. Because strengthening our organizational capacity is an important part of who we are as an organization.					
3. For the satisfaction we experience when successfully applying new skills to improve project implementation.					
4. Because capacity strengthening is necessary to meet donor requirements and secure funding.					
5. Because improving organizational capacity helps us achieve externally defined project targets and objectives.					
6. Because failure to meet expected standards would reflect poorly on our organization.					
SECTION 4: PROJECT PERFORMANCE					
Please rate statements on a **5-point Likert scale** 1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree					
	1	***2***	***3***	***4***	***5***
1. Project activities are delivered on time and to the quality standards agreed with stakeholders.					
2. Projects implemented by our organization consistently meet their stated objectives and expected results					
3. Our organization effectively reaches					

targeted beneficiary groups with appropriate humanitarian assistance.					
4. Projects are completed within approved budgets without significant cost overruns.					
5. Capacity strengthening has improved our ability to design and implement programs with lasting impact.					