Connect2Knowledge

THE CAPACITY GAP

THE STATE OF EQUITY CAPACITY

Inaugural Edition

Equity commitment is high. Organizational systems are uneven.

The Moment We're In

Across Canada's community-based not-for-profit sector, equity is increasingly embedded in how organizations think about strategy, leadership, and service delivery.

In 27 interviews with community-based leaders conducted for this report, several patterns emerged:

- Equity commitments embedded directly into strategic plans and organizational priorities
- Formal equity committees or working groups established to guide the work
- Hiring practices evolving to reduce credential barriers and better reflect the communities being served
- Peer and lived-experience roles integrated into service delivery models
- Cultural audits, equity assessments, and multi-year roadmaps becoming more common
- Staff engagement surveys and demographic tracking emerging as tools for accountability

These developments reflect a sector that has moved well beyond symbolic engagement.

Leaders are now asking:

How do we translate equity commitments into daily outcomes about hiring, budgeting, and service delivery?

How do we measure progress in ways that are meaningful and credible?

How do we sustain this work in organizations already navigating workforce shortages, funding instability, and rising service demand?

These questions tell us that the sector's equity work is entering a new phase.

What Comes Next

The interviews point to a clear next phase of equity practice.

For many organizations, the focus is shifting toward the structures that shape everyday choices. Governance practices, hiring systems, program design, and strategic planning all influence whether equity commitments translate into consistent action.

Building this capacity takes time. The sections that follow explore the operational gaps, pressures, and leadership realities shaping how this work is unfolding inside real teams and workflows.

The Three Structural Tensions

1. Commitment vs. Operational Integration

Many organizations now have clear equity strategies, policies, and leadership commitments in place. Yet integration into everyday decisions remains uneven. Leaders described challenges embedding equity into hiring, budgeting, performance management, and service design as organizations work to build the systems needed to sustain these commitments.

2. Structural Change vs. Capacity Constraints

Work to embed equity is unfolding inside organizations already under significant pressure. Leaders described rising service demand, workforce shortages, funding instability, and growing administrative requirements. At the same time, organizations are working to adapt governance practices, workforce systems, and program models to reflect equity commitments, stretching already limited capacity.

3. Representation vs. Structural Support

Leadership and workforce diversity are increasing, with many organizations intentionally recruiting leaders and staff whose lived experience reflects the communities they serve. Yet progress often relies heavily on a small number of individuals. Without stronger systems of support and shared accountability, representation can place disproportionate responsibility on the very leaders organizations are seeking to empower.

Equity Has Matured

Equity work in the community-based not-for-profit sector has evolved significantly over the past decade. What began in many organizations as training sessions, policy reviews, and public commitments is increasingly reflected in how organizations govern, hire, design services, and measure progress.

Leaders described a range of changes that reflect this evolution.

Organizations are embedding equity directly into strategic plans and organizational priorities. In many cases, equity has moved beyond being a standalone strategic pillar and is now integrated into organizational priorities, shaping outcomes about service delivery, workforce practices, and partnerships.

Many organizations have established formal equity committees with clear mandates, developed DEIA roadmaps, and introduced staff-wide learning expectations. Cultural audits and pulse surveys are becoming common tools for understanding staff experience and identifying gaps.

Workforce practices are evolving as well. Organizations described redesigning hiring processes to reduce unnecessary credential barriers and better reflect the communities they serve.

Peer workers and people with lived experience are increasingly embedded in service teams rather than advisory roles.

As these roles expand, many leaders are now focused on the next challenge: creating pathways for professional development and career progression, and ensuring diversity is reflected through all levels of leadership.

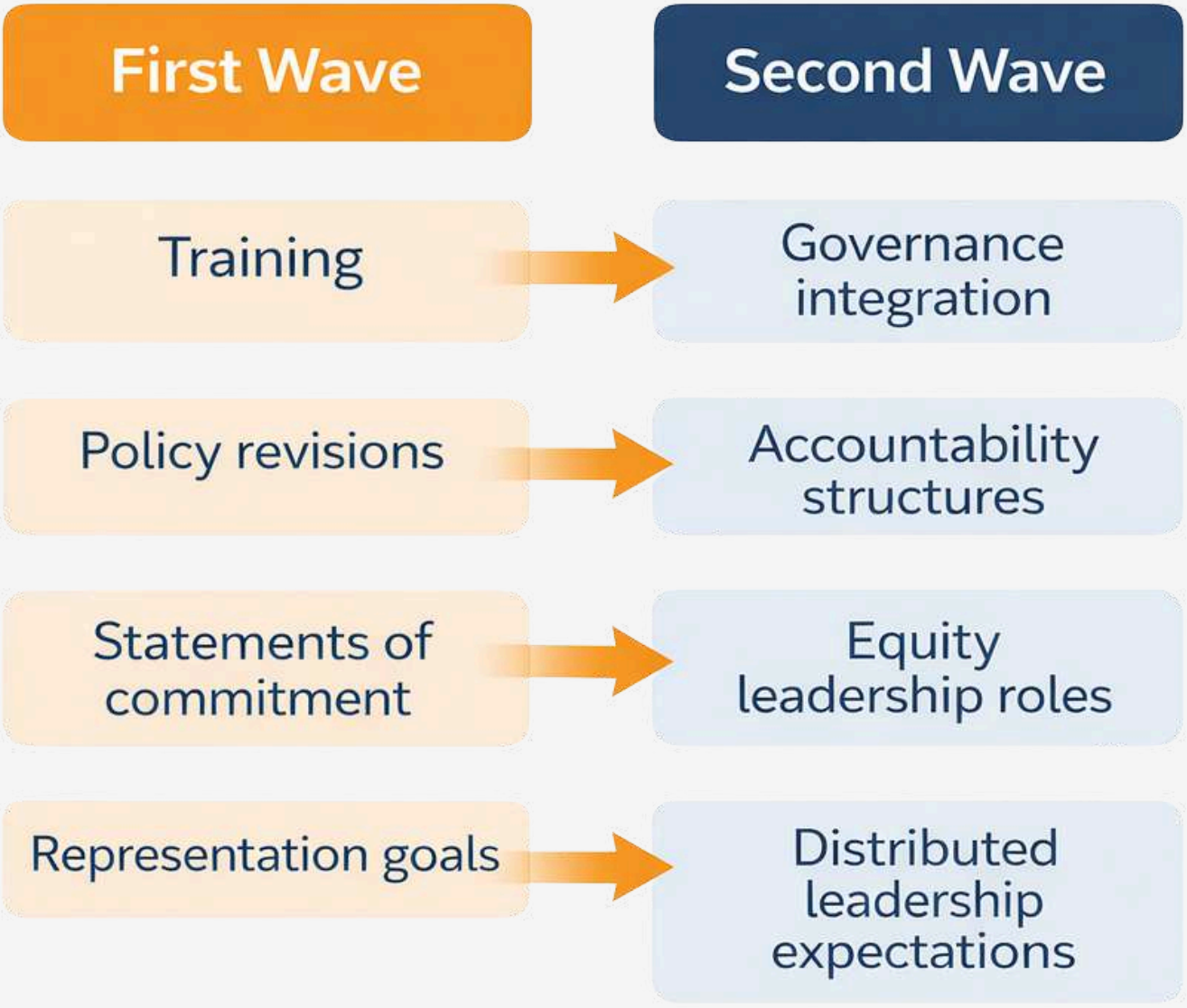
Governance practices are adapting, too. Many boards recognize that their understanding of equity has not always kept pace with the organizations they oversee.

In response, boards are taking steps to strengthen recruitment practices and review governance policies so they can continue to provide effective oversight and strategic guidance.

For many, the next stage involves rethinking how boards work together so that decision-making processes remain inclusive as new members join.

The evidence is clear: equity commitments in this sector have moved beyond statements of intent. It is increasingly shaping how organizations operate.

The Evolution of Equity Work



The Operational Gap

The structural tensions described earlier become most visible in daily organizational practice. Strategic commitments are in place. Training programs have expanded. Equity committees and roadmaps are increasingly common.

Yet leaders we spoke with described a similar challenge: translating these commitments into everyday organizational practice is far harder than expected.

> *"I know I want to go in a direction, but I haven't started going the direction yet... Where do I even start? What's the first place? I think I need help."*
>
> EXECUTIVE DIRECTOR, COMMUNITY-BASED NONPROFIT

1. Commitment vs Operational Integration

Equity commitments are increasingly embedded in strategic plans, policies, and training. Yet leaders described uncertainty about how those commitments should shape day-to-day choices.

Staff regularly face questions about how an equity lens should apply to hiring, supervision, budgeting, and service design.

EXAMPLE

A settlement sector leader described how staff regularly support clients facing discrimination or institutional barriers. Many staff are themselves newcomers and racialized, and understand these barriers are systemic. Yet in practice, the focus remains on resolving the immediate situation in front of them — housing, employment, or service access — making it difficult to translate those patterns into broader organizational response.

EXAMPLE

Another leader noted that while equity frameworks are now widely in place, organizations still struggle to demonstrate what has changed. A year or two into implementation, many leaders are asking the same question: have we actually moved the dial?

2. Structure vs Culture

Committees, working groups, and training programs are now common across the sector. These structures help build awareness and identify priorities.

However, leaders noted that structures alone do not shift how organizations operate.

EXAMPLE

A medium-sized community-based not-for-profit realized there was a missing link between the work of its equity committee and day-to-day operations. While the committee produced useful tools and resources, there were few mechanisms to ensure managers actually applied them in practice.

EXAMPLE

A leader in a multi-service not-for-profit described a diversity committee that meets regularly and generates thoughtful discussion. Yet many managers still feel uncertain about how to apply an equity lens within their own areas of responsibility.

3. Champions vs Shared Ownership

In many organizations, responsibility for advancing equity still relies heavily on a small number of individuals.

These leaders often develop strategies, provide guidance to teams, and coordinate organizational initiatives.

EXAMPLE

One executive director in a homelessness services organization noted that some senior managers had picked up this work quickly, while others were still developing confidence in applying an equity lens in their leadership outcomes. This uneven comfort means some leaders move forward while others hesitate, making it difficult to apply equity consistently organization-wide.

EXAMPLE

A leader in a community health centre described how much equity progress currently depends on individual passion. When key champions move on, initiatives can slow if systems are not yet embedded into core operations.

Leaders across the interviews were clear: the challenge is no longer whether equity matters. The challenge is building the organizational systems capable of sustaining it.

Equity Ambition vs Organizational Bandwidth

Community-based organizations are attempting structural equity work while navigating increasing pressure in their operating environments.

Leaders described rising service demand, workforce shortages, funding instability, and growing accountability requirements. At the same time, organizations are being asked to rethink governance practices, workforce systems, and service models to better reflect equity commitments.

In other words, structural change is unfolding inside organizations that are already carrying significant operational strain.

Equity work is being layered onto already stretched systems, without proportional structural investment.

Equity cannot be sustained on goodwill alone.

None of these pressures operates independently.

Together, they shape the amount of **organizational bandwidth** available for revision.

Throughout the interviews, leaders described a growing tension between the scale of equity ambition and the capacity organizations have to implement and sustain that work.

THE CORE TENSION MODEL

Equity Ambition vs Organizational Bandwidth

Leaders are attempting structural change while the operating environment becomes more demanding.

Equity is often discussed as a question of commitment.

The interviews suggest something different.

For many community-based organizations, the real challenge is **organizational bandwidth**.

Advancing equity requires structural change. Structural change requires capacity.

And that capacity is already under significant strain in most organizations.

The Hidden Cost of Leadership

Advancing equity is often discussed in terms of strategy, policy, and organizational culture.

The not-for-profit leaders interviewed described another dimension of the work: the leadership labour required to move equity commitments into day-to-day practice.

Advancing equity often involves navigating difficult conversations, challenging long-standing practices, and holding tension across teams, boards, and communities. Leaders must translate these commitments into action while maintaining trust and stability inside organizations already under operational pressure.

Much of this work remains largely invisible.

Advancing equity requires significant leadership labour that is often not reflected in formal roles or structures.

When the Work Is Concentrated

In many organizations, responsibility for advancing equity still sits with a small number of individuals.

Leaders described situations where the work is carried primarily by one executive, one director, or a small committee tasked with guiding the organization's efforts. These leaders often become translators between strategy and practice — advising teams, responding to questions, and helping colleagues navigate complex situations.

While these roles are essential, concentration creates limits.

> *'The work shouldn't depend on one person.'*
>
> DIRECTOR OF DEI, HOMELESSNESS SERVICES SECTOR

When responsibility for equity is not broadly shared with leadership teams, the work can become dependent on individual capacity rather than organizational systems. Leaders noted that progress can slow when key champions move on or when the work is not embedded in everyday decision-making.

In these situations, advancing equity risks becoming something individuals carry rather than something organizations sustain.

When Leadership and Identity Intersect

Several racialized leaders described an additional dimension of leadership burden.

In their experience, the day-to-day labour of advancing equity often gravitates toward those whose identities are most closely connected to the issues being addressed. As a result, racialized leaders can find themselves expected to guide conversations, respond to concerns, and carry responsibility for advancing the work simply because of who they are.

One leader described being tired of it, "always falling on racialized leaders to do the work."

For these leaders, equity leadership is not only professional. It is also personal.

They described navigating subtle bias, heightened scrutiny of outcomes, and the emotional labour of helping colleagues understand issues that directly affect their own communities. In these moments, leaders are not only managing organizational adjustments— they are also managing the personal impact of the work itself.

This dynamic is rarely discussed openly, yet it shapes the experience of many leaders working at the forefront of equity initiatives.

Leadership Under Exposure

Advancing equity often requires leaders to challenge established norms and raise questions that organizations have historically avoided.

Leaders described absorbing tension that emerges when policies advance, when hiring practices evolve, or when new expectations are introduced across teams. These moments can generate uncertainty or resistance within organizations.

In practice, leaders frequently carry the responsibility for holding these tensions so that the work can continue moving forward.

Several leaders reflected that this aspect of the work is rarely visible. It remains an ongoing part of leading structural transformation.

Equity leadership often requires leaders to absorb organizational tension that would otherwise stall progress.

> *'I'm tired of it always falling on racialized leaders to do the work.'*
>
> ED, MULTI-SERVICE AGENCY

The Governance Risk

These dynamics point to a broader organizational risk.

When advancing equity depends heavily on individual leaders, whether through personal commitment, identity, or role, progress becomes fragile. Leadership transitions, role transitions, or burnout can slow momentum if the work has not yet been embedded into core systems and routines.

Several leaders spoke about the importance of moving beyond reliance on individual champions toward more distributed responsibility through leadership teams, governance structures, and operational systems.

The aim is to support leaders and make the work durable over time.

Representation without structural protection creates leadership risk.

For many organizations, the next phase of equity work will involve building the systems, accountability structures, and shared leadership practices needed to ensure that the responsibility does not fall on a few individuals alone.

What’s Working

The leaders we interviewed described approaches that are helping organizations move from commitment to sustained practice.

These approaches do not eliminate the challenges described earlier, but they offer early guidance on how to make the work more durable within organizations.

1. Expanding leadership responsibility

Several organizations described intentionally broadening ownership of equity among senior leaders rather than relying on a single champion or committee.

This often begins with small shifts. Leadership teams introduce regular conversations about how equity considerations intersect with each department’s work. Managers are encouraged to examine hiring selection, service design, and team practices through an equity lens.

Over time, these conversations help build confidence among managers and team leads so that responsibility for advancing the work becomes more widely shared.

EXAMPLE

Some leadership teams have added regular agenda items to leadership meetings where department heads discuss how equity considerations affect their work and share examples of promising practices.

2. Connecting equity to core systems

Leaders emphasized that equity initiatives become more durable when they are integrated into the systems that shape everyday direction.

Organizations described reviewing hiring practices, governance policies, budgeting processes, and program design through an equity lens. These updates ensure that equity considerations are reflected in how decisions are made rather than remaining separate initiatives.

Several leaders noted that hiring practices are often an early focus. Removing unnecessary credential requirements, valuing lived experience, and rethinking recruitment strategies are common starting points.

Some organizations are also examining onboarding processes, mentorship structures, and career development pathways to ensure that workforce diversity is supported over time.

3. Creating spaces for learning and reflection

Many leaders described the importance of creating structured opportunities for staff and leadership teams to reflect on how equity principles apply in practice.

These conversations examine practical challenges. Teams review service delivery decisions, hiring dilemmas, or organizational policies and consider how equity considerations should influence their response.

Over time, these discussions help build shared understanding and practical confidence at all levels.

EXAMPLE

Some organizations described using interdisciplinary case conferences to examine how equity considerations shape responses to complex client situations.

Early Signals of Durable Equity Practice

Emerging Pattern	What It Looks Like in Practice
Shared leadership	Equity expectations distributed across leadership roles
System integration	Hiring, governance, and budgeting processes evolving
Structured reflection	Teams examining real decisions through an equity lens

The leaders we spoke with emphasized that none of these approaches offer quick solutions. But the impact of these compounds over time as equity work transforms from isolated initiatives toward practices that are embedded in everyday organizational life.

The Next Phase of Equity Capacity

Commitments are established. Frameworks are in place. Many organizations have taken important steps to embed equity into strategy, governance, and service design.

The next phase of the work is increasingly operational.

The Evolution of Equity Work

KEY INSIGHT

Equity capacity is increasingly becoming a leadership and management challenge.

It requires organizations to examine how decisions are made, how accountability is structured, and how leadership responsibility is shared.

For many organizations, this work is still unfolding.

Leaders described growing attention to the systems that shape how organizations function.

- Governance practices
- Hiring and workforce development
- Program design
- Strategic planning and accountability

These systems determine whether equity priorities translate into consistent action.

For many organizations, strengthening these systems is becoming the central task of the next stage of this work.

This requires leadership alignment, operational clarity, and sustained attention over time.

About the Research

This report is based on 27 in-depth interviews with leaders from community-based nonprofit organizations throughout Canada, conducted between September 2025 and March 2026.

Participants included executive directors, senior leaders, and equity leaders working in sectors such as community health, settlement services, homelessness, and social services.

Interviews explored how organizations are integrating equity into strategy, governance, workforce practices, and service delivery. Insights from these conversations were analyzed to identify recurring patterns, operational challenges, and emerging practices shaping equity capacity sector-wide.

An Invitation to the Sector

The interviews that informed this report reflect a sector deeply committed to advancing equity.

Leaders across the country are navigating complex organizational, system, and community realities while continuing to adapt and learn.

The next phase of the work will require continued experimentation, collaboration, and investment in organizational capacity.

This report is offered as a contribution to that ongoing conversation.

At Connect2Knowledge, our work focuses on supporting community-based organizations as they build the leadership practices, organizational systems, and strategic clarity needed to sustain equity commitments over time.

We hope the insights in this report help inform the next stage of the sector's work.

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