




SYSTEMS CHANGE

A GUIDE TO WHAT IT IS
AND HOW TO DO IT

Rob Abercrombie, Ellen Harries and Rachel Wharton
June 2015



With thanks to LankellyChase Foundation
for funding this work.

LankellyChase Foundation is an independent
charitable trust that works to bring about
change that will transform the quality of
life of people who face severe and multiple
disadvantage.

It focuses particularly on the clustering of
serious social harms, such as homelessness,
substance misuse, mental illness, violence and
abuse and chronic poverty. Its work combines
grant making, commissioned research and
policy analysis, and special initiatives.

www.lankellychase.org.uk

*"I must create a system,
or be enslav'd by
another man's"*

WILLIAM BLAKE



CONTENTS

FOREWORD	2
INTRODUCTION	3
About this guide	4
RESEARCH PROCESS	5
DEFINING THE CONCEPTS	6
Changing systems	9
SYSTEMS CHANGE PERSPECTIVES	11
Perspective 1: Practitioners	12
Perspective 2: Advocates	13
Perspective 3: Operational Researchers	15
Perspective 4: Service reformers	18
Perspective 5: Learners	20
Perspective 6: Living Systems	22
Summary of systems change perspectives	24
GOOD PRACTICE	25
Topics of debate	29
Approaching the task	30
Planning for systems change	31
Doing systems change	35
CONCLUSIONS	37
Learning for charities	38
Learning for funders	39
Learning for the public sector	40
Summary	41
ACKNOWLEDGMENTS	42
Interviewees	42
Advisory group	42
REFERENCES	43

FOREWORD

There are a number of seemingly intractable or 'wicked' problems facing society: severe and multiple disadvantage, climate change, poverty, gender inequality, and so on. Traditionally the response has been to identify 'what works'—leading us to think that we can create ever more elaborate and evidenced interventions to address an issue or support people to lead socially and economically functional lives.

Each time we develop an intervention, we paper over the cracks and layer yet more complexity onto an already complicated and confused system. The problem with this approach is that the interventions only last as long as there is the political will to support and fund them. There are few examples of such interventions becoming hard-wired into mainstream services or of addressing the root causes of structural, societal and systemic disadvantage—even from times of plenty.

We can no longer afford this response. We need to find different ways to respond to the challenges faced by us as a society. Against this backdrop, a new way of thinking, a new approach, has grown in currency: 'systems change'.

At LankellyChase Foundation we have been keen to think about this in how we can use our limited, but independent resources, to foreshadow a new way of supporting agencies working with people facing severe and multiple disadvantage. In our discussions with potential grantees, we ask them to think about their application in terms of how it will change systems. We aren't alone. The NHS is writing whole systems change into tenders, and others now are re-badging their approaches under the term 'systems change'. Local authorities are trying to think about whole systems approaches to help them tackle their very real budget challenges.

There is the danger—particularly when a new approach or phrase emerges—that the language and the buzz that surrounds it creates a mystique, making it inaccessible and daunting to many who seek to create lasting change. It can become the preserve of a small elite rather than owned by all. The term systems change is one such example. This is made harder by the fact that there is no agreement on what systems change is, and there are many different ways of approaching it depending on who you are, what place you hold in the system, the type of power you have, and the issue you are responding to.

We are really pleased therefore that New Philanthropy Capital (NPC) has written this report. It has been a challenging project because we have had to make sense of the varied interests and different players involved in 'systems change'.

This report aims to make sense of the prevailing literature, knowledge and learning about systems change to make it accessible as a process. It is designed to be read by frontline managers, commissioners, chief executives of charities—all those whose unease with the current approach leads them to want to embrace different ways of addressing societal challenges, but are unsure of where to look.

This report is not the answer to societal challenges, but I very much hope it goes some way towards demystifying systems change and showing that we are all players in changing the system.

Alice Evans
Director, Systems Change
LankellyChase Foundation

INTRODUCTION

Systems change is attracting the attention of a range of progressive charities, funders and practitioners who are interested in dealing with the root causes of social problems. But while there is a buzz about a subject relatively new to the social sector, it is easy for a practitioner who dips into the systems literature to feel frustrated.

Much of what is written about systems change in the social sector is abstract in tone, polemical, and more concerned with diagnosing what is wrong than with offering concrete solutions. While the diagnosis of problems is often persuasive, the shortage of practical guidance, and few examples of success, can leave people feeling convinced of the case for systems change, but ill-equipped to take action. This guide sets out to address that problem.

In NPC's view, the systems change literature contains some important insights. Most fundamentally, that social problems are the product of networks of cause and effect—a fact that needs to be reflected in the way we act to improve them. However, the language of systems change can be infuriatingly abstract, and many of the concepts it contains, and the principles for action it gives rise to, are not especially novel. People from different fields have arrived at the same conclusions about what is necessary to achieve sustained social change. Systems change has a lot in common with thinking from the fields of prevention, collective impact, action research, and strategic philanthropy. It seems that thoughtful reflection on the process of achieving social change tends to lead people to similar conclusions, whatever label is put on it.

Our conclusion is that although it may not be as novel as some claim, there is a good deal of value in a systems change approach. The principles for action it suggests—for example developing collective solutions, building a learning culture, and not over-relying on top-down leadership—are still far from the norm in the social sector. And while they may not be unique to systems change, they are a welcome reminder of what effective action looks like when it comes to the pursuit of social change.

There is also an ongoing need to shine a light on dysfunctional systems which fail to address social problems, or actively make them worse. Too often the social sector is not sufficiently reflective and challenging of its own role and risks complicity in these dysfunctions. This is a missed opportunity because at their best voluntary organisations are effective in challenging systems that don't work, and good at show-casing better alternatives. Systems change is not the only way of addressing social problems, but it provides us with a helpful way of understanding them and evaluating them, and sets out principles for achieving social change.

We would also wish to emphasise that whilst dealing with the causes of social problems is vital, one cannot ignore their effects, and addressing effects is an entirely legitimate type of social action. Dealing with the root causes of poverty has the potential to help many people over time, but it is also not acceptable to let people starve right now. There is an argument that the social sector should work harder to act preventatively, address causes not symptoms, and help systems work better for people in need—but there still needs to be a balance between systems change initiatives and meeting pressing demands.

About this guide

We have produced this guide to plug a gap in the systems change literature—providing accessible material and recommendations for action. It introduces the basic concepts, maps out the different perspectives in the systems change landscape and suggests good practice for systemic social action. It has been written as a resource for those working or supporting the social sector—namely charities and funders, but also those in the public sector or in social enterprises.

We welcome your feedback and are also interested to hear how you are working towards systemic change in your organisation or sector. Get in touch via info@thinkNPC.org or tweet us @NPCthinks.

In summary, this guide:

- **clarifies what is meant by systems and systems change**
- **describes the main perspectives on systems change**
- **outlines good practice for systems change**
- **identifies what is and is not agreed upon by experts in the field**
- **provides recommendations for charities, funders and the public sector on how to act systemically.**

We hope this paper provides a manageable introduction to the systems change field, especially for those new to it, and also guides those interested in acting systemically to improve the lives of people in need.

RESEARCH PROCESS

We undertook a wide-ranging review of the systems change landscape to produce this guide, including interviewing experts, reviewing key sources of literature, and convening an advisory group who provided guidance and support throughout the research process.

Literature review

We reviewed an extensive body of systems change literature, ranging from management science journals to Operational Research, and from Living Systems theory to emergent strategy. Sources included academic journals and books, as well as 'grey literature' such as reports, op-eds, videos and online resources.

Expert interviews

We conducted eighteen interviews with a range of practitioners and experts, including charities, funders, and people working in local government. These interviews helped to map the systems change field and to identify additional sources of literature for review. A full list of interviewees can be found on page 42.

Advisory group

We convened a steering group of leading thinkers and practitioners and used this as a forum to debate and discuss our findings. The advisory group helped guide the project and also provided a space for group members to learn and develop their own thinking. The group comprised systems thinkers from charities, funders and think tanks and a full list can be found on page 42.

We are extremely grateful to all those who contributed their time to this research.

In particular we would like to thank Alice Evans at LankellyChase Foundation whose support and vision was key to shaping this guide.

DEFINING THE CONCEPTS

At the outset it is helpful to define what we mean by 'systems' and 'systems change'. There are no agreed definitions in the field and different people mean slightly different things when they talk about systems, depending on their perspective, adding to the general sense of confusion. There are, however, some basic things we think most would agree on.

Systems

Some example definitions selected from the literature follow. There are many recurrent themes in these definitions, but some differences in emphasis:

*'A system is a configuration of interaction, interdependent parts that are connected through a web of relationships, forming a whole that is greater than the sum of its parts.'*¹

*'A system is an interconnected and interdependent series of entities, where decisions and actions in one entity are consequential to other neighbouring entities.'*²

*'Systems are overlapping, nested, and networked; they have subsystems and operate within broader systems.'*³

*'A system is a set of things— people, cells, molecules or whatever—interconnected in such a way that they produce their own patterns of behaviour over time.'*⁴

These definitions demonstrate the difficulty people have in explaining systems clearly and simply—something that can be infuriating for the uninitiated and risks creating cynicism about what is actually a useful approach. It is not surprising that a simple definition of systems, particularly in a social context, is elusive: a system is a concept that is both generic and abstract, and about which there are different schools of thought.

This makes it hard to provide a single definition that is better than those above. Instead, what we will do is provide some examples of social sector systems, and then list the characteristics of systems that most people agree on. In this way we hope to give some clarity.

Examples of systemic problems include, for example:

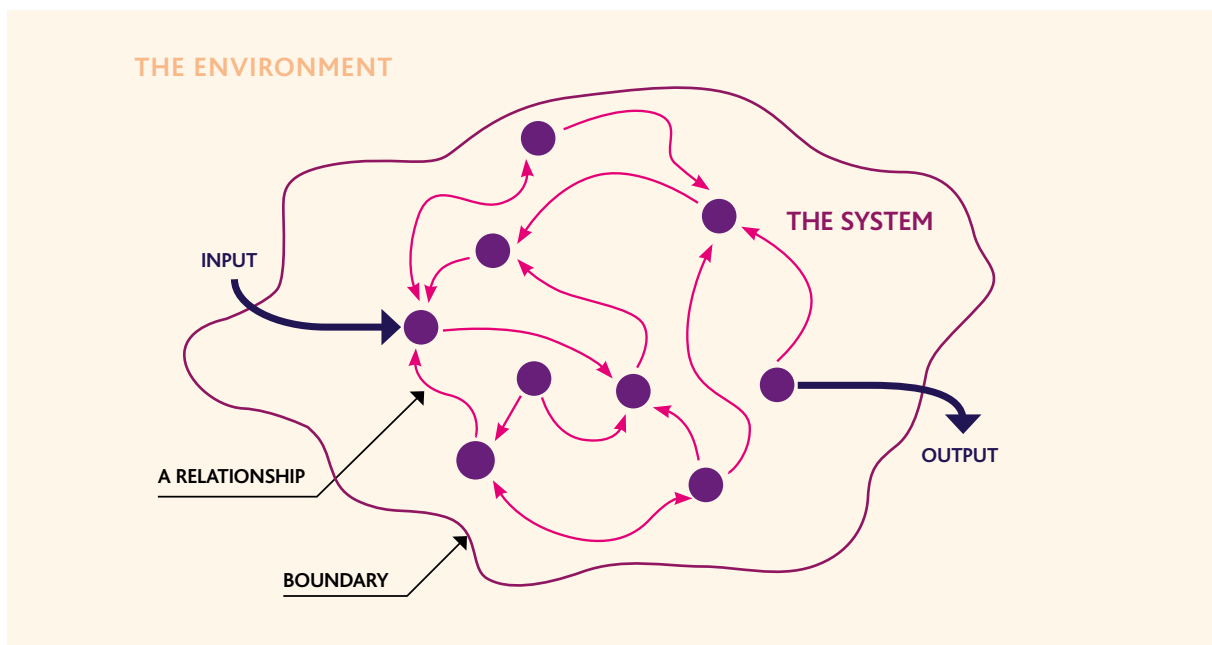
- poor life chances for children in care;
- very high re-offending rates for female prisoners with substance misuse problems; and
- high rates of homelessness amongst veterans.

These problems involve individuals whose capabilities, beliefs and attitudes may play a part in the difficulties they experience. However—and more importantly—their problems are also a function of how institutions behave, of policy decisions, of the way markets operate, and even of public attitudes and cultural norms. For example, the causes of re-offending for female drug-addicts include the lack of meaningful employment opportunities open to them, the way they are prepared for release by the criminal justice system, the attitude of the courts, wider policy on criminalisation of drugs, and of course the behaviour of the individual. This is not an exhaustive list of cause and effect, but illustrates the complexity of the 'system' that surrounds a social problem. It also illustrates that social problems can be caused and defined by the system within which they occur. We hope these examples begin to give a sense of what is meant by systems and systems change, and will now describe the commonly accepted characteristics of a system.

Characteristics of systems

- Systems are composed of multiple components of different types, both tangible and intangible. They include, for example, people, resources and services, as well as relationships, values, and perceptions.
- Systems exist in an environment, have boundaries, exhibit behaviours, and are made up of both interdependent and connected parts, causes and effects.
Figure 1 below illustrates a generic system with these characteristics.
- Social systems are often complex and involve intractable, or 'wicked', problems.

Figure 1: Example of a system⁵



System boundaries

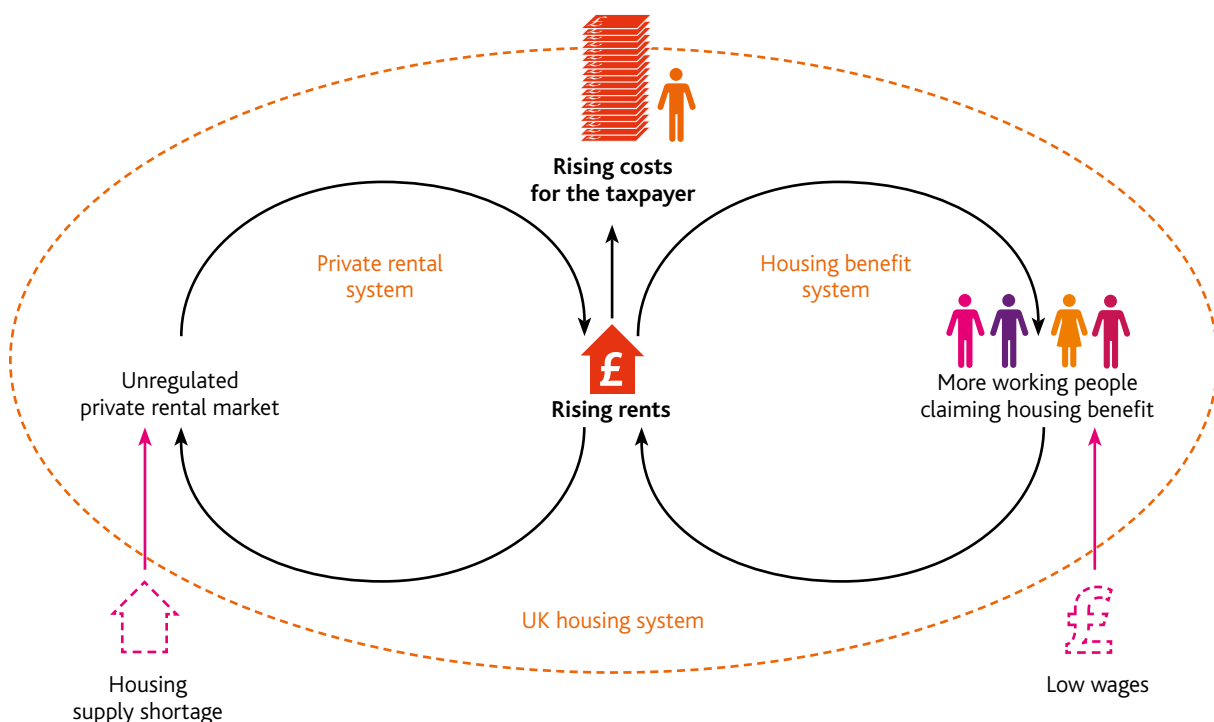
Understanding the 'boundary' of a system is not straightforward. Some systems theorists argue that establishing boundaries is a critical first step for effective systems change.⁶ For 'soft-systems' thinkers (discussed in the Operational Research perspective in the next section) deciding on a boundary is always a matter of judgement. Frank conversations may be needed to negotiate where the boundary of a system lies, or in other words, who and what are involved in the problem and the solution.

To take a real example of the housing benefit system: are private landlords and regulation of the private rented sector part of this system too? Or is this system limited to the people and processes involved in claiming housing benefit and eligibility for it? As **Figure 2** shows, drawing the boundary differently will suggest a different set of solutions, potentially shifting the emphasis from benefit claimants to issues of housing supply and regulation, or even low wages. Where the boundaries get drawn around a problem is, therefore, potentially very significant, but is a matter of perspective.

Political questions often arise when thinking about where to draw a boundary around a social problem. For example: Is poverty caused by the behaviour of the individuals affected and the influencers of that behaviour? Or should the boundary of the system that creates poverty be drawn more broadly to include wealth distribution policy? The answers to such questions are never simple since they inevitably involve personal judgement and political convictions.

This highlights a fundamental point about systems: that they are a way of thinking about and making sense of the world. They may describe a system that actually exists, but in the social sector they are as much ways of thinking about complex problems, and people with different perspectives will define the system differently.⁷ This idea of different perspectives is a recurrent theme and something we return to throughout this guide, and indeed the systems change field itself contains a range of different perspectives which we summarise in the next section.

Figure 2: Different system boundaries in the housing system



Changing systems

In this report we talk about systems change as an intentional process designed to alter the status quo by shifting the function or structure of an identified system with purposeful interventions.⁸ It is a journey which can require a radical change in people's attitudes as well as in the ways people work. Systems change aims to bring about lasting change by altering underlying structures and supporting mechanisms which make the system operate in a particular way. These can include policies, routines, relationships, resources, power structures and values.⁹

Systems thinking helps us to make sense of a complex world

This is not to say that systems change by its very nature is 'good'. Whether it is good or bad is again a matter of perspective. For example, the Marriage Act 2013 allowing same sex couples to legally marry represents a systemic shift in the institution of marriage in the UK. But whether a person views this change in the law as good or not is a political, moral and theological question. Changing systems is not therefore inherently good or bad.

It is an approach to social change, and the questions systems changers should constantly be asking are: **what** change is needed, **why** is it needed, and **what** might be the **unintended consequences**? Systems change, at its core, answers the question how change can be effected.

While systems change can be an intentional process, it can also be unintentional. For example, the introduction of new legislation or policy can make a change in one part of a system that has repercussions in other parts of that system. Systems are constantly changing, and this complexity means there is a tendency for actions to produce unintended consequences.

Indeed, many of the systems change perspectives identified in this guide explicitly recognise social systems as complex, and argue that the relationship between an intervention and an outcome is somewhat unpredictable.¹⁰ Instead of thinking mechanistically and in a linear fashion, a systems change approach encourages an appreciation of the complicated dynamics of social problems.

"Systems change is a journey"

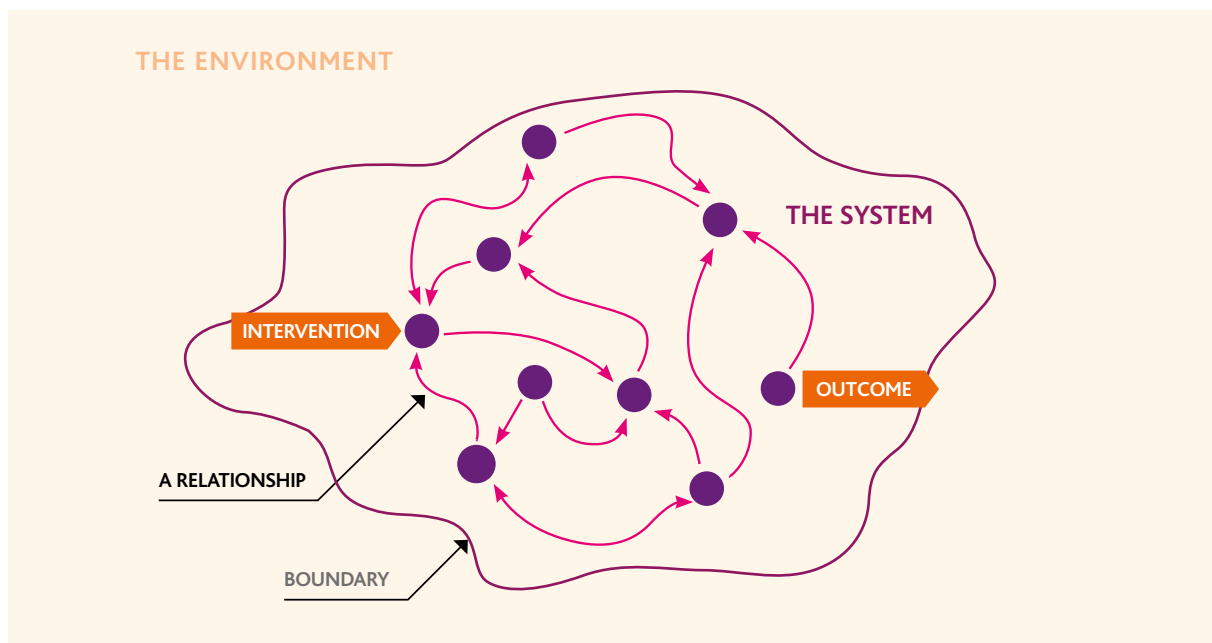
ESTHER FOREMAN, THE SOCIAL CHANGE AGENCY

Systems thinkers argue that interventions do not always produce neat, sequential and contained outcomes; instead an ongoing process of innovation, reflection, and learning is needed to bring about social change.¹¹ **Figure 3** below illustrates that the outcome of an intervention may be found at a different point in the system to where an intervention took place.

The concepts and language surrounding systems change may be new to some, but acting systemically is something that many in the social sector already do by putting beneficiaries at the centre of their work, as well as advocating for strategic or policy-level change. It is essential that systems interventions remain rooted in action and do not become removed from the people in society they are designed to help.

Systems-level interventions hold great potential for positive social change, with the ability to alter the structure and the rules of a social system.¹³ On the other hand, intervening to meet people's immediate needs—such as feeding someone who is hungry—is also much needed, but these interventions tend not to be able to significantly shift the dial on the root causes of social problems.

Figure 3: Example system with intervention and outcome highlighted at different points¹²



SYSTEMS CHANGE PERSPECTIVES

Now that we've outlined what systems change is, we can attempt to describe the landscape of systems change thinking and knowledge. Systems change is a very diverse field, and the range of people who are able to contribute to our understanding of it is incredibly varied, from biologists studying eco-systems to the designers of industrial processes. Systems change thinking ranges from the very abstract to the extremely specific, and can be found in the work of academic theorists on the one hand, and, on the other, in the experiences of activists working practically to change things. As a result it is a difficult landscape to describe. Our solution is to cluster the main sources of knowledge into a series of six perspectives (summarised in **Figure 4**) that between them cover the majority of what is relevant to the social sector in this diverse literature. These perspectives are NPC's interpretation of the ways in which systems thinkers view the world: we hope this helps to make sense of a complex field, but inevitably there are shades of grey both within and between them.

In this chapter we outline the origins of each perspective and the key beliefs they contain. Some perspectives relate more directly to social problems and others less so, but all have something to offer the social sector, and for each we offer some critique and suggestions on their application to social action. While some people reading this guide will identify with one particular perspective, others might draw on elements from all of them.

The practitioner and advocate perspectives are **grounded in practice**. They summarise the way that people working within social systems, or engaged in making the case for changing them, tend to view the topic. Other perspectives, like Operational Research for example, are more **grounded in theory** and have a firmer basis in academia and methodology.

Figure 4: Overview of systems change perspectives



Perspective 1: PRACTITIONERS



Origins

The practitioner perspective is normally associated with people involved in delivering services who—from their practical insider knowledge of the system in which they function—are naturally drawn to a practice-focused approach to change. Whether social workers, prison officers, or politicians—those at the front line of service delivery have first-hand experience of both the system within which they are embedded, and the real problems their clients face, and are often able to use their role, connections and experience to lever systemic change.¹⁴

Beliefs

Practitioners are likely to be working in a definable system, for example the health or social care system, and experience the consequences of systems failure on the people they work with and support.¹⁵ Because they are embedded, they may be in a position to understand the existing power structures and processes in their specific field of work. Their critique of systems is therefore likely to be specific and targeted.

Practitioners who operate in a 'definable' system will be aware of the in-built processes for redress which exist. These range from strategy reviews and service transformation projects to lower-level feedback and appraisal processes.¹⁶ All these processes are conduits for change but operate within the confines of a given system.¹⁷ If practitioners are deeply embedded in the system they work in, they may be more likely to work within existing routes of redress rather than challenge the system more overtly.

The practitioner perspective is about getting stuck in, and people on the front line who take this approach are likely to want to see change happen quickly. They may well be interested in theory, but may not spend much time theorising. If practitioners work on the front line, they are often torn between meeting the needs of the people they support, and thinking strategically about how the system could be improved¹⁸—that is, whether to deal with the pressing social issues at hand, or whether to use their time to press for systemic change. In addition, those working as front-line delivery staff will have a specific role and job title, and it may be beyond the boundary of their position to challenge systemic problems in their field.

Relevance to social sector

Many people who take the practitioner perspective work in the public and charity sectors delivering support to people in need. Their work is therefore highly relevant and their insights useful for systems change. Practitioners are **inside** the social sector and there remains a debate about whether or not a person needs to be inside or outside a system to be able to see it clearly, and push for change effectively. Having a deep understanding of how social problems are currently dealt with means that practitioners may be in a good position to diagnose what needs to be changed. However, they may be so preoccupied with individual cases, with their organisation, or their field, that they simply accept the assumptions of the system, or push for change from the inside, resulting in only incremental rather than systemic change. They may also be limited by their lack of knowledge from other sectors, or by a lack of theoretical insight about systems change.¹⁹

How it links to practice

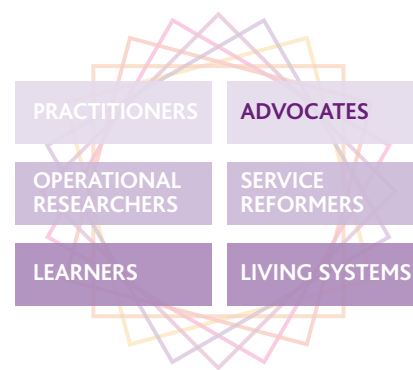
Those who follow a practitioner perspective and are committed to systems change are likely to adopt a 'just do it' approach, however there is no defined method of 'just doing it'. Some practitioners we spoke to talked about the importance of buy-in and building momentum; some also said that understanding the power structures and dynamics of the system that needs changing is useful.²⁰ All are likely to get stuck into a problem that they experience personally.

Practitioners understand the need for change through their hands-on work and may use their experience to diagnose what is wrong and how it could be improved. Practitioners' analysis of systemic social problems often emerges from their experience and dissatisfaction, rather than a formal diagnosis or study, and they are likely to agitate for change from within a system.²¹

NPC OBSERVATIONS

Theorising, debating and analysis has to be balanced with practical action if systems change is to avoid being a purely ivory tower concern. Those working within systems can bring a unique perspective and instinctive understanding of what needs to change. Given that insiders may feel uncomfortable discussing their implicit assumptions and beliefs, there may be limits to what can be accomplished from within the system.

Perspective 2: ADVOCATES



Origins

The advocate perspective is also grounded in practice, as well as a firm commitment to the ideas of systems change. People who have this perspective are convinced that systems change is essential for a more effective social sector and are vocal in pushing forward the systems change agenda.²² They are likely to be people working in think tanks, consultants with their own methodologies, thought leaders, and social sector leaders with ambitions for large-scale positive change. Others might be former service deliverers who, frustrated with the limits of their role, have decided to tackle systems change in a different way. The advocate approach is followed by a community of people who comment on the social sector and believe it can be fundamentally improved by action at a systemic level.²³

Advocates can be found both inside and outside the systems that they want to transform, and rather than having expertise in one specific field, they often have experience of different fields.²⁴ This puts them in a good position to transfer methods and learning about what works from one system to another. Rather than focusing on a specific problem, advocates are committed in general to social progress and recognise the potential of systems change principles to achieve this.

There is no defined method for systems change that the advocate perspective puts forward: some people who define themselves as advocates have methods and some do not. What typifies this approach, rather, is a commitment to pushing for systemic change and inspiring others to get on board.

Beliefs

People who take an advocate approach may use the platforms available to them to push for systems change and inspire the people around them to do the same.²⁵ These platforms range from blogs to keynote speeches and from formal workshops to informal networking. Grant-making can also be a platform for encouraging systems change. A commitment to systems change certainly influences the types of grants and support some funders give, and the ways that they work with their partners.²⁶

In some circumstances advocates implement or push for systems change in a specific sector, however people who follow this approach are more likely to be the ones convincing and supporting others to act systemically. By their nature advocates are therefore a diverse group with a mixed emphasis on methodology: some have very clear approaches for implementing systems change, however most tend to focus on promoting systems change, rather than implementing it. People who identify with this perspective often focus more on theory rather than methodology.

Relevance to social sector

Those who adopt an advocating position tend to work in the charity or public sector and play an important role convincing others of the need to tackle complex social problems holistically. Given their positions as spokespeople, commentators, advisors, figure-heads, and agitators, their commitment is important to the systems change field.²⁷ Yet they are not without their critics: advocates have been accused of being rhetorical, polemical and abstract, with a focus on problems and principles rather than solutions and actions.

Some advocates, especially those who work to influence systems from the outside, may not have an in-depth understanding of a system they are working to change. In some instances they may only have superficial knowledge of a particular field, or rely on the theoretical underpinnings of systems change, and may therefore lack credibility in the eyes of practitioners and end-users.²⁸

On the other hand, there are advantages to being removed from the frontline. Advocates are in a good position to see the bigger picture—the synergies and differences between systems—and can transfer learning from one area to another.²⁹ They are not likely to be bogged down in the assumptions and language of a particular sector so can use their position to challenge and provoke the status quo.³⁰

How it links to practice

Advocates tend to focus on supporting and raising the profile of systems change, rather than implementing systems change projects themselves (although this is not true of all). Their activities include agitating for change, writing op-eds, meeting with people, and attending and speaking at events. They tend to work at the inspirational edge of the systems change movement, rather than with end-users, and use their position to persuade others to think systemically.

Some advocates have a real sense of mission when it comes to systems change. They are absolutely convinced that a systemic approach to social problems is the answer and stick with it. However, there are others who could be accused of dipping in and out. Systems change is a buzzy and exciting field, but not everyone in it has tenacity and commitment. Whether advocates are committed or merely have a passing interest in the topic, they all tend to make a strong case for social change but leave others to implement it, often without defining what the best course of action should be.

NPC OBSERVATIONS

There is an important role in making the case for change, and some distance from the system concerned can help with a clear-sighted diagnosis of what needs to happen.

However, there is a mismatch between the rhetoric and real examples of success. There needs to be more honesty about the limited track record of systemic approaches so far.

Perspective 3: OPERATIONAL RESEARCHERS



Origins

After the Second World War, Operational Research, also known as management science, developed as an academic discipline through the study of manufacturing and a desire to optimise the way that industrial organisations worked. Operational Researchers systemically looked at supply chains, work flows and logistics seeking ways to streamline processes and create efficiencies.³¹ What emerged was a range of tangible methodologies, and from the 1970s onwards two different schools of thought emerged—‘soft’ and ‘hard’ systems approaches. Both these approaches to systems change have since been applied in the social sector.

When Operational Research emerged, some academics aimed to develop general models that could be universally applied to all systems in all disciplines, their sub-elements and the relationships between them. Many Operational Researchers now shy away from this grand aim, preferring to focus on organisational or social systems rather than developing a universally applicable methodology.

Beliefs

Operational Researchers can be divided into two main camps. The first camp can be described as the ‘hard systems’ approach where systems are seen as concrete or physical entities that exist in the real world. For example, a hard systems thinker sees the National Health Service, or an information system such as a telephone advice service, as a bounded entity with both a physical and social existence. This approach assumes that systems can be accurately mapped and moulded to fulfil a specific purpose, and makes assumptions about the rationality of people, and the tangibility of systems.³²

The second camp is known as the ‘soft systems’ approach and proponents of this approach view systems as social constructs rather than concrete entities. Soft systems thinkers use systems as a way to understand people’s perspectives of a system.³³ For example, if we look at a particular charity as a system, it can be described as a system to deliver social change to beneficiaries, or a system to raise awareness of an issue, or a system to provide volunteering opportunities for the long-term unemployed. Each perspective precipitates a very different understanding of what the charity does.

These soft and hard approaches relate to discourses in other academic disciplines and each approach has specific methods associated with it. Hard systems thinkers look for concrete problems and solutions for definable systems that they believe exist. In contrast, soft systems thinkers focus more on people and their perspectives of a given system, and how these could be reconciled to make improvements. Soft systems methodology provides a framework which helps people to make sense of messy problems that lack a formal definition.

Relevance to social sector

The Operational Research perspective contains some of the most concrete methodologies for systems change including Systems Dynamics and Viable Systems Diagnosis, both of which model systems mathematically, showing them as complex networks.³⁴ Systems Dynamics, one strand of hard systems thinking, maps systems through feedback loops, time delays, stocks and flows.³⁵ Hard systems approaches tend to be more easily applied to clearly bounded systems, such as supply chains or computer systems, rather than to complex social systems.³⁶ There is some scepticism about whether it is possible to put a social system into such a simplified diagram, although proponents of this approach find it useful to map out a particular sector with arrows and feedback loops.³⁷ Mapping processes or customer journeys for an advice service, for example, can help identify certain types of problem, such as ‘failure demand’—a failure to do things right the first time, meaning that the issue needs to be revisited and capacity is taken up fixing mistakes.³⁸ Identifying systemic problems with demand allows practitioners to view the system they work in as tangible and see the potential for improvement.³⁹ So while there is debate about how applicable hard systems methodologies are to the social sector, the concept of a hard system can be helpful.

The soft systems approaches are often difficult to grasp for people working on the ground, but arguably more applicable to complex social problems. This is because soft systems methods are seen to cope better with intangibility, complexity and unpredictability. They are designed to make sense of complex situations where there are divergent ideas about the definition of what the system is, what the problem is, and how it should be resolved. For example, how to improve the NHS, how to tackle youth unemployment, and how to best deal with substance abuse, are all complex social questions, and there may be different perspectives about the best course of action. The seven-stage approach to soft systems methodology published by Peter Checkland is a widely used model.⁴⁰ In summary, the process involves: defining a problem situation and system; building conceptual models of the system; comparing the models with the real world; and developing desirable and feasible interventions. As with hard systems methodology there is a lot of theory and guidance available.⁴¹ Soft systems thinkers use the idea of a 'system' as an interrogative tool for stimulating debate, developing consensus, building relationships, and galvanising people into action. Soft systems methodology has been used in a range of social settings. For example, NGOs have used it to engage local people in land-mine clearance initiatives.⁴²

How it links to practice

Operational Researchers have worked with people in the social sector to bring about social change, and some of the principles and methodologies have been enthusiastically embraced. For example, soft systems approaches have been used in Whitehall and have helped ministers make sense of the complex environment in which they operate.⁴³ Yet despite some interest in systems change methods from politicians, government has, on a general level, been criticised by some systems change thinkers as wanting to be able to control, predict and take credit for the impact of their reforms. According to Jake Chapman, a soft systems academic and practitioner who has worked in government, politicians often deny the complexity of the systems within which they operate because political expediency demands concrete action be taken within set timeframes. In reality, the systems within which politicians work are messy and the outcomes are unpredictable.⁴⁴

We also note that while there are many socially minded academics in the field, much of their work is inaccessible for many in the social sector. Some Operational Researchers have crossed the divide but still find it hard to apply their methods and language to very large scale social phenomena. This is not surprising given that much of the literature is focused on organisational systems rather than societal systems which are complex and likely to span multiple organisations, public policies and cultural norms.

NPC OBSERVATIONS

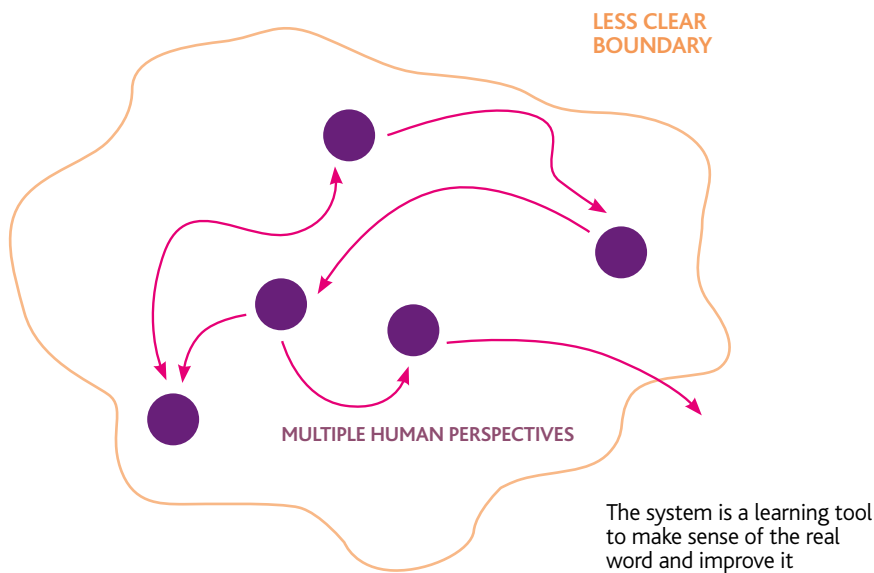
There is no 'right' way of doing systems change and the appropriate methodology will depend on the situation.

A crucial insight of soft systems methods is that there is no single truth about social systems, and they can best be understood through a process of inquiry into the different perspectives that exist.

Figure 5: A summary of Operational Research approaches

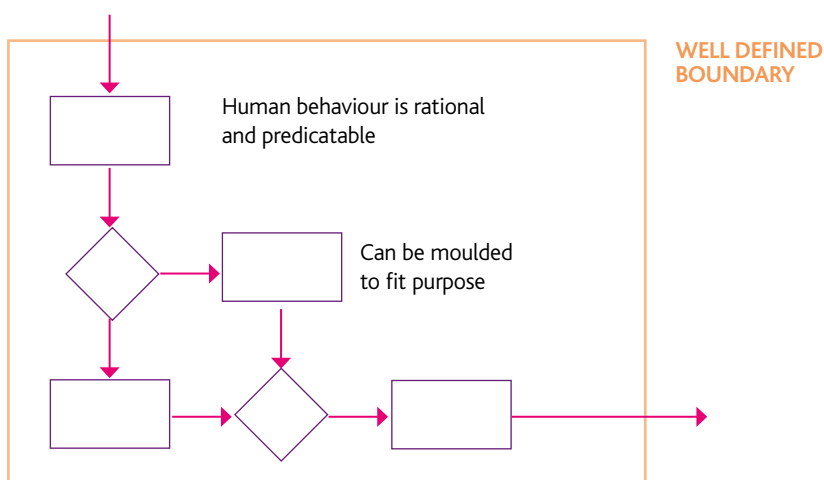
SOFT SYSTEM

- the process of enquiry is systematic
- a system is a fuzzy-edged social construst



HARD SYSTEM

- the world is systematic
- a system is a physical real-world entity



Perspective 4: SERVICE REFORMERS



Origins

Reformers focus on systematically redesigning services by putting end-users at the centre, modelling services around user needs, and reducing inefficiencies. People who have a reformer perspective may be found in campaigning organisations or may be consultants who are experts in using particular methodologies, outsiders to the field they are working in. Although service reformers work in the social space to improve public services, the origins of this systemic approach are often attributed to Toyota and the private sector.⁴⁶ Toyota, the car manufacturer, aimed to improve its manufacturing processes by systemically eliminating waste and smoothing out inconsistencies in the flow of work.⁴⁷ Around the same time, similar process improvement methodologies emerged, including Lean and Six Sigma.

Clearly manufacturing is a very different discipline to public services; however there are some principles from it that have been embraced by service reformers. Key proponents of this approach include John Seddon and his Vanguard method,⁴⁸ and to a certain extent some Lean methodologies⁴⁹ can also be seen as a systematic approach to service redesign.

Beliefs

There is extensive literature on systemic service reform and some common threads are evident. Many in this space believe that organisational purpose—in end-user terms rather than organisational terms—should be at the core of any service reform process.⁵¹ In other words, success should be based on the end-user perspective, rather than top-down targets set by an organisation or system. Implementing local tailored services is key, as is understanding the nature of demand. According to John Seddon there are two types of demand: **value demand**, which is often predictable, and **error demand**, which is caused by the system not dealing effectively with problems.⁵² This insight, it is suggested, enables the design of systems to meet the demands of the people they support.

Another belief, associated with Lean and the Vanguard method, is that it is important to understand the flow of work throughout a system, and to eliminate areas of waste, delay and 'failure demand'.⁵³ There are various methods and tools for doing this, most of which involve mapping the workflow from the first point of contact with an end-user. This systems mapping—which may be intra-organisational or may cover multiple organisations—is intended to show the end-user journey to reveal how processes can be improved. Indeed, there are similarities between some of the service reform methodologies and the hard systems methodologies that Operational Researchers use to map processes.⁵⁴

Another belief, which links to the learner perspective outlined next, is that organisations and systems need to embrace a culture of learning and responsibility.⁵⁵ Service reformers argue that all people within a system, no matter what rank, should feel responsible for their work, and capable of suggesting and making changes that benefit service users.⁵⁶ This requires a distributed form of leadership and an empowered workforce.

Relevance to social sector

The service reform perspective has been applied to the social sector with some success. For example, it was used to review the homelessness services at Hull City Council which were subsequently redesigned to focus less on hitting targets and more on meeting the pressing needs of service users. According to Paul Buxton, this not only meant that homeless people were better supported; it also resulted in significant savings for the Council.⁵⁷

John Seddon's report for Locality, *Saving money by doing the right thing*,⁵⁸ also makes a similar argument. In other realms, service reformers have been called on by MPs to give advice to Select Committees, and parliamentary researchers have written papers on the applicability of this approach to the public sector.⁵⁹

However, the service reform perspective is not without its critics. While its mapping methods can be applied beyond organisational boundaries, many of the methodologies have been developed to assess organisational systems, rather than the more nebulous social systems—those influenced by public policy and people’s behaviour—that exist across multiple organisations. Though service reform approaches have a track record of improving the services of organisations, it has been argued that a track record showing improvement in social systems is hard to find. The wider systems that surround social problems contain multiple actors, organisations, relevant public policy, and cultural norms. Social systems operate on many levels and mapping systems in this way may fail to appreciate their complexity.

How it links to practice

Service reform is a practical approach to systems change and there are many methodologies and tools which have been developed to implement it. People who take a service reform approach tend to be outsiders, and may be brought in by an organisation, local authority or central government to help them understand how to deliver better services. Service reformers tend to have their own personal approach to methodology rather than a generic approach associated with a particular discipline.

Using the Vanguard method as an example, systems redesign tends to be implemented as a series of pre-defined steps. Typically, the first step is to study an organisation or system, looking at demand and making sure that any success is understood in end-user, rather than management, terms. The next steps involve studying the flow of work and understanding why the system operates in the way it does. This is followed by exercises to change people’s thinking within a system or organisation, including prototyping changes and cultivating buy-in. The final steps involve implementing the reforms at scale.⁶⁰

It is apparent that such an approach is more suited to pre-defined systems such as organisations or specific services, rather than the messier complex systems that surround social issues. For example, the Vanguard method advocates that the perspectives of end-users matter above all else, whereas soft systems methods, designed to deal with complexity, argue that the perspectives of many stakeholders should be taken into account.⁶¹ In summary, whilst the systems reform critique and methodologies are persuasive, its track record at precipitating complex systemic social change is less so.

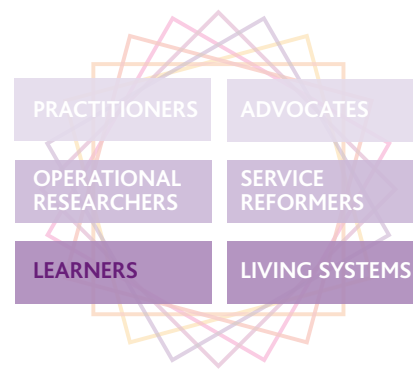
NPC OBSERVATIONS

When systems are dysfunctional they make social problems worse and create additional demand fixing their own errors.

Service reform methods are easier to apply to discrete tangible systems but have a limited track record of addressing more complicated social problems.

Beneficiaries should be at the heart of any service design process.

Perspective 5: LEARNERS



Origins

Learning is a theme that runs through many of the other systems change perspectives but also represents a school of thought within management studies that bears directly on the topic. Taken at face value, the idea that organisations should devote energy to learning, and use that learning to improve, is obvious, and most organisations would argue they do this already. What is distinctive about the learning perspective is the extent to which learning, and consequent adaptation, is adopted as a central plank of strategy. If done well, learning has a profound affect on the way organisations are run and the way leaders behave.

Organisational learning began to emerge as a field of study in the late 1970s. 'Learning' is defined broadly to include the way that organisations change and adapt over time in response to their environment. All organisations do this to an extent, but ones that are pursuing a learning strategy will explicitly set out to generate knowledge and utilise it to change behaviour. This strategy is well suited to systems change because it copes better with the complexity and unpredictability of systems. According to Peter Senge, organisations often contribute to dysfunctional systems because they contain hidden assumptions and inaccurate 'mental models', making them likely to react to events in a way that makes things worse.⁶² Senge's examples tend to focus on the commercial world, but his ideas are applicable to the social sector too. For example, the assumption that social workers are to blame for high profile public failings has led to increasing micro-management of their work. This reduces the scope for frontline workers to exercise professional judgement and ironically the risk of future failure is increased. For Senge, the way to respond to these system dysfunctions is through reflection, curiosity and learning at both individual and organisational levels.

A related school of thought is that of 'emergent strategy'. Henry Mintzberg, a key proponent of emergent strategy, argues that in complex and unpredictable situations (the systems that change initiatives tend to tackle) it is futile to follow rigid plans.⁶³ Inevitably events will unfold in a way that is unexpected, and according to Mintzberg, formal planning processes and grand strategies tend to make people less flexible, and less likely to learn from what emerges or to adapt their plans to suit. What is crucial is to provide a clear overall strategic intent, and allow flexibility to respond to problems and take opportunities as they arise.

Without the capacity to 'learn' this adaptive process cannot function. The argument is not that there should be no planning; rather that learning and agility, within a framework of a clear aim, should take precedence and be the basis of strategy.⁶⁴

Beliefs

Most proponents of the learning perspective argue that a different approach to leadership is required, and for some this has profound implications for how organisations are run. They believe that the traditional levers of management, planning processes and top-down command-and-control, do not create organisations that can learn and respond flexibly. By the time information has worked its way up to senior management—and they have overcome their natural resistance to changing carefully laid plans—an opportunity may have passed. Learners tend to emphasise a more distributed model of leadership where responsibility for exercising judgement and taking decisions is found throughout an organisation.⁶⁵ In the Toyota Production System, for example, any worker can halt the production line to highlight a problem or opportunity to do things better. The consequence is that leadership in learning organisations is less about central direction and more about creating a culture that encourages learning, prototyping, and flexibility, and enables staff to use their judgement.⁶⁶ The empowerment of staff and a culture that supports learning are crucial, and achieving these things is the primary task of leaders.⁶⁷ The elements of a learning culture typically might include:

- creating a clear over-arching intent;
- encouraging individuals to question and challenge accepted orthodoxies and assumptions;
- being comfortable with uncertainty;
- being willing to experiment;
- accepting the need to change things that don't work; and
- empowering staff to respond to specific situations by making judgements and taking the initiative.

Relevance to the social sector

The learning perspective suggests an approach for taking action in situations which are complex, uncertain and unpredictable. It does not rely on starting with a perfect understanding of a situation—a difficult or impossible quest: instead it emphasises learning and adaptation. The relevance of this perspective for dealing with social systems is clear, although the changes to leadership behaviour and culture that it calls for are not always easy to achieve.⁶⁸ It is a reasonable expectation that the social sector, with its public service ethos, is fertile terrain for organisations that distribute leadership and emphasise learning—but that does not appear to be straightforwardly the case. Charities, funders, and much of the public sector are often expected to produce detailed business plans with targets, KPIs and detailed timelines. Embracing a learning approach may require a shift in mind-set for social sector leaders that is just as profound as elsewhere.

There is a further complication in that addressing systemic social problems cannot usually be done by single organisations and is likely to require collective action. Learning, therefore, will need to occur across networks of organisations as much as at an individual level. This does not diminish the relevance of the learning perspective, but is a reminder that the leadership activity of building a learning culture may be complicated by the need to create norms beyond the boundary of individual organisations. Indeed, encouraging learning in the network of organisations that make up a system is in itself an activity with the potential to change that system.

Implicit within the learning perspective is the principle that failure is an opportunity for learning and adaptation. There is some discussion about failure and the need to deal more honestly with it in the social sector at present.⁶⁹ Clearly, failure as a result of negligence is not acceptable, but where failure is the result of experimentation, proponents see this as commendable and a valuable opportunity for learning. Indeed, until the social sector can get better at sharing and learning from failure, it is likely that the same mistakes will continue to be made.⁷⁰

Links to practice

Writers in the organisational learning perspective tend to emphasise the implications for leadership, casting their philosophy as a radical prescription for changing the way organisations are led. While we find the learning perspective persuasive, it is worth treating these claims critically. Authors may have their own reasons for exaggerating the boldness of their thinking, and the problem with radical leadership prescriptions is they are hard to act on and risk replacing one model of the heroic leader with another. In NPC's view the learning perspective has value at a more modest level of ambition, by reminding us to share what we know with others, take learning seriously, and work to create the conditions in which it can occur—and conversely, avoiding the things that prevent it such as blame cultures, over-emphasis on taking the credit, and command-and-control bureaucracies.

NPC OBSERVATIONS

Learning is a central concern of systems change—partly due to the complexity and unpredictability of social systems, and partly because implicit assumptions and world views can contribute to dysfunctional systems. An ongoing process of reflection and learning is an obvious response to these challenges.

Learning is, however, only useful for systems change when it includes adaptation to take advantage of the opportunities it reveals.

In this model, the principle job of leadership becomes setting a clear intent, and then creating the conditions in which learning can occur.

Perspective 6: LIVING SYSTEMS



Origins

A Living Systems approach to understanding systems is based on Living Systems theory, a general theory which describes how all Living Systems maintain themselves, develop and change. The roots of this theory lie in academia, especially biology, and are a source of inspiration for many people active in the sustainability movement.⁷² There is also some connection to the Operational Research perspective, specifically the Systems Dynamics approach, which focuses on feedback loops and mapping.⁷³ Key advocates of Living Systems theory are Fritjof Capra and James Grier Miller who define Living Systems as living, open, self-organising systems which interact meaningfully with their environment.⁷⁴

Beliefs

The Living Systems perspective looks not only at the physical components of a system, but also at the behaviour and beliefs that arise from its structures. More specifically, the Living Systems perspective considers life to have certain core dimensions including material structures, networks of relationships, and emergent properties.⁷⁵ Living Systems thinkers believe that the whole is greater than the sum of its parts and that characteristics arise out of the multiplicity of interactions within a system.

People who take a Living Systems approach believe there are flows of energy and information that run through systems, sustaining life. Systems are seen as open and self-organising. They do not exist in a vacuum, instead they develop in a web of interconnections with their environment, absorbing 'nutrients' from that environment in order to survive. There is a reciprocal element to this dynamic: just as Living Systems are affected by their environment, in turn the environment is affected by Living Systems. Feedback is key, and enables systems to self-regulate, self-correct, and survive.

The Living Systems perspective maintains that systems are found on many levels which are nested within each other. Each system has its own integrity, but at the same time is part of a larger whole.⁷⁶ For example, cells are systems which are nested within organs, which are nested within individual organisms, which are nested in communities, and so on. In essence, systems exert influence and are influenced by the systems within which they are embedded. This has implications when thinking about agitating for change in that change—from a Living Systems perspective—works best when pushing simultaneously at different levels.

Figure 6: Example of a nested system⁷⁷



Relevance to social sector

The Living Systems approach has inspired many systems thinkers in the social space, particularly, though not exclusively, those working on sustainability and environmental issues. It provides a theoretical framework for systemic phenomena, and some tools for analysing systems. The Living Systems approach encourages social sector actors to analytically consider the level on which they are aiming to effect change.⁷⁸ For example, at an individual level a food bank meets the needs of users by providing food, but at a societal level it may lobby government for a change in welfare policy. Using this framework, many social sector organisations pushing for systemic change can be seen to operate in a number of nested systems at inter-related levels. A Living Systems approach encourages people to think about their web of interactions, the energy and information they put in and take out of a given system, and how their actions are influenced by and influence others.

Living Systems theory represents a general level theory, designed to make sense of everything. It has been a source of inspiration in the social sector, but to others it represents a highly theoretical, analytical and complex approach.

How it links to practice

Living Systems theory has been used as a basis to analyse a wide variety of systems at a range of levels, from cells to supranational systems. There are different ways to apply the methodology, but it can be summarised into a few steps. The first step is to **identify the system**, a process which is often complicated and has links to the soft systems methodologies of Operational Researchers.⁷⁹ The next steps involve understanding the purpose of the system, then identifying and quantifying the critical **inputs** and **outputs**. The final step is to make decisions based on the analysis of this data. Clearly, the more complicated a system is, the more complicated it is to map and analyse. Living Systems theory provides an exhaustive model for mapping the structure and processes of any living system, across all levels,⁸⁰ however it is often an ambitious, and sometimes an academic, undertaking. People who take a more practice-orientated approach to systems change may criticise this approach for being too analytical and not focused enough on action. Similarly, concentrating on such

comprehensive mapping before deciding on what to do is at odds with the learning perspective outlined previously: from that perspective, mapping exhaustively risks just revealing complexity without enabling action, and can lead to prescriptive approaches when it would be better to be flexible and reactive.

While the methods associated with the Living Systems perspective have been seen by some as overly complicated, they have nevertheless been applied at a range of levels.⁸⁰ For example, at an organisational level, the Living Systems approach has been used to understand the US Army, specifically looking at the information flows between battalions and how this relates to their effectiveness.⁸¹ And at a community level, it has been used to address some of the problems involved in health care delivery.⁸²

Aside from these very specific applications of Living Systems methodologies, the concept of life as a connected system has been a source of inspiration for some in the sector who identify with the principles of complexity and emergence, rather than mapping methodologies.⁸³

NPC OBSERVATIONS

The Living Systems approach highlights the aspects of a system that are most useful to identify; its boundaries, how it is regulated, what can be influenced within it, what will resist change.

It also reminds us to consider at what level of the system action is most appropriate, and that frequently social change will require intervention at multiple levels, for example at the level of the individual and at the policy level.

There is a danger of getting bogged down in the complexity of systems and spending too long mapping and analysing before moving to action.

Summary of systems change perspectives

The table below provides a summary of the six systems change perspectives:



GOOD PRACTICE

The approach to any particular systems change initiative very much depends on the type of system involved, and on the position of the change-agents within it: the specific situation will dictate the approach and one size will not fit all. For that reason practical guidance cannot take the form of prescriptive processes or 'how-to' checklists: it has to be at the level of general principles. This section therefore contains our interpretation of the key good practice principles that can guide systems change initiatives, drawn from the six perspectives we have described.

We have used examples to bring these principles to life, but since there is no general consensus about what a systemic approach means in practice, not all systems change commentators will agree with the examples we have chosen. So before we set out the principles, we consider three areas of debate about how best to approach systems change. These debates will then provide the context for our suggestions for effective action.

“There is no single correct way to do systems change.”

AMANDA BESWICK, OAK FOUNDATION

Topics of debate

1. Top-down or bottom-up leadership?

There is no consensus on what type or level of leadership is useful for systems change initiatives. Service reformers and learners promote a distinctive 'horizontal' type of leadership for systems change⁸⁴—meaning that instead of the traditional top-down approach, everyone in an organisation feels responsible for its success, values collective knowledge and is empowered to make decisions.⁸⁵ In contrast to this, Operational Researchers that take a hard systems approach are more likely to emphasise the benefits of leadership from the top. They see those in positions of power as the most able to change the rules in the system, and generally, those with the most power in a system or organisation sit at the top. On the other hand, practitioners and service reformers are likely to champion a bottom-up approach to change. They may argue that front-line staff and service users have the most legitimate understanding of social problems and so are in the best position to define the solutions. In fact, all the perspectives see the importance of user voice, but some argue more strongly that without a balance between top-down support and bottom-up momentum, meaningful change can never be embedded or achieved.

2. Insider or outsider?

There is debate about whether the leadership of systems change initiatives should come from inside or outside a system. In other words, should the person spearheading change be a neutral party or should they be drawn from inside an organisation or system. By the nature of their jobs, practitioners are close to the action and may argue that they understand the way a system works and are well placed to bring about systems change.⁸⁷ Advocates on the other hand, may argue that practitioners are too embedded in a system and cannot see clearly how all the parts interact. An outsider to the system may have more success facilitating systemic change as they start from a position of neutrality—important for analysing the situation objectively and being able to identify what is or is not working.⁸⁸ Service reformers and hard systems thinkers are likely to see value in both inside and outside approaches, however, their typical methodology for systems change recommends bringing in outside consultants to help manage the process. There are clearly many different views on this issue, and it may be that leadership from both inside and outside is useful, so long as it is balanced and aligned.

3. To map or not to map?

Opinions differ as to how important mapping is and how it should be done. By mapping we mean the process of describing a system in order to understand how to act on it. Practitioners may agree in theory that mapping is useful, but in practice may not do it because they are already embedded in the system they are trying to change and already possess an instinctive understanding of it. In contrast, service reformers, Operational Researchers and Living Systems thinkers, are all strong believers in mapping the systems, and have various methodologies and tools to do it.⁸⁹ For example, Living Systems thinkers take the view that systems are nested and interconnected, and that change can be achieved by pushing simultaneously at different levels.⁹⁰ This can lead them to spend a lot of time mapping. In contrast, those from a learning perspective are pessimistic about being able to understand and map a system perfectly, preferring instead to begin the change process and allow understanding to emerge from engagement. This does not, however, mean that learners disparage attempts to understand as the first step in changing systems; rather, it reflects their view that such exercises are inherently limited and should not distract from on-going action and learning. As a result some systems maps are deliberately high-level abstractions that identify the principle components and relationships in a system, but are intended to act as a basis for discussion rather than a description of reality; this contrasts with other systems maps that are incredibly detailed and attempt to actually describe the system and its operation.

Six key principles for systems change

PLANNING FOR SYSTEMS CHANGE

PRINCIPLE 1:

Understand needs and assets

PRINCIPLE 2:

Engage multiple actors

PRINCIPLE 3:

Map the systems

DOING SYSTEMS CHANGE

PRINCIPLE 4:

Do it together

PRINCIPLE 5:

Distribute leadership

PRINCIPLE 6:

Foster a learning culture

Approaching the task

We believe that six key principles should be borne in mind when attempting to change a system. These are split into two groups: the first group concerns *planning* for systems change, and the second focuses on *doing* it. We have arranged them in a logical order, but they do not need to be approached sequentially; rather they provide a toolkit of approaches which can be applied flexibly and adapted to different situations. Indeed, the planning process itself needs to be dynamic and flexible, providing a good enough basis for purposeful action, but also flexible enough to allow adaptation rather than being just a one-off exercise.

Typically, social systems are complex with some aspects more tangible than others. For example, the social care system contains easily recognisable elements like services, facilities, and governance structures; but also intangible elements like professional cultures, incentives for different agencies, and power structures. This complexity carries a

number of implications that have to be coped with. The underlying dynamics of a system may not be immediately obvious, and behaviour that is rational from one perspective may actually make a problem worse when looked at from a different angle. For example, managing demand for doctors' appointments at a busy GP surgery makes sense for the surgery, but may divert demand to accident and emergency departments which ultimately costs the taxpayer more, and is worse for the patient. Another issue to contend with is that intervening in a system may have unintended consequences—the action taken to correct a problem can create different problems that were not predicted.

Therefore in order to act successfully on a system, it is important to understand something of the dynamics that operate within it: both the tangible and the intangible. The three planning principles support this, with the three implementation principles guiding sensible action informed by this understanding.

Planning for systems change

The purpose of planning for systems change is to:

- identify the root causes of problems;
- identify the key actors;
- find the points of leverage;
- help define the system and establish its boundaries;
- establish what can be controlled, and what can be influenced; and
- clarify the objectives of taking action.

These goals are not only relevant during the planning stages of systems change, they are also important throughout the process. With these goals in mind, we turn to the first principle for planning systems change.

PRINCIPLE 1: Understand needs and assets

The first and most fundamental driver for systems change should be meeting the needs of beneficiaries and understanding the assets they have that can help. This is the reason charities and funders exist—to help people, to understand what problems there are, who they affect and how. Charities who write applications for funding are used to describing what they have to offer, and providing evidence of the needs they are aiming to address. Similarly, asking questions about need has become common practice for funders. But when we talk about understanding need in the context of systems change, it may be helpful to go further and find creative ways of bringing the voice of beneficiaries to life, as well as understanding the assets that a given community, beneficiary group, or system have. Many of the unhelpful dynamics in the social sector arguably arise from the fact that the people who receive services, on the whole, do not pay for them: they are not customers, and there is no market for allocating resources to the best services.

In the absence of these mechanisms it is even more important to find ways of giving weight to the views of beneficiaries and understanding the situation they find themselves in. When taking a systems approach we should attempt to understand the broader experience of beneficiaries in a given system, not just beneficiaries from one organisation or one part of the population.

The introduction of the service user perspective can powerfully reveal what is and what is not working, and can show that dysfunction in a system may not be where service providers think it is.

Example A major funder of domestic abuse services in California recently became dissatisfied with the range of services offered to vulnerable women in the state. It funded a major inquiry into the experiences of women who had been victims of domestic violence, specifically their experiences of the services available to them and their priorities for support. They used this work to paint a picture of the disconnect between women's needs and the services that were provided. Only by asking women themselves and looking at this aggregate picture was it possible to identify the dysfunction in the range of services available. Strikingly, this dysfunction was not obvious to the providers of individual services who appeared to be providing a rational response to need.

“Analysis of the system comes from a person’s journey through it.”

CLARE HYDE, FOUNDATION FOR FAMILIES

“You should involve the people delivering and using services.”

SARAH BILLIALD, COLLABORATE

PRINCIPLE 2: Engage multiple actors

Beneficiary voice is fundamental but beneficiaries are not the only stakeholders that need to be engaged. A plan for systems change should identify who the advocates, influencers and resisters in a system are, and seek to understand the reasons why they behave as they do. In the social sector we are familiar with the language of stakeholders, and are used to negotiating and responding to the actions of funders and state agencies. Identifying stakeholders is common-sense. There are, however, some potential pitfalls that the social sector faces.

Firstly, being insufficiently open-minded when thinking about who a stakeholder is: when mapping systems we should be searching for potential allies, potential blockers, and points of leverage. This means thinking differently about who can help (or hinder) and considering whether there is a role for government, regulators, the legal system, or markets and the private sector. For example, issues like domiciliary care, employability, and now the supervision of offenders, are partly market-based endeavours. Commissioners of these services both deliberately and unwittingly create commercial incentives that need to be understood as part of the dynamics of a system, both in terms of what is not working, and how it can be made to work better.

Secondly, when embarking on a systems change initiative, it is important not only to identify who stakeholders are, but to consider why they behave as they do. This is not always done well. The place where this is most obvious is in sector attitudes towards government. It is easy to characterise government as the problem—and there are plenty of places where the public sector's behaviour is frustrating and creates challenges—but voluntary sector actors can sometimes be guilty of a lack of curiosity and empathy with government colleagues, which can, in turn, limit the understanding and ability to engage and influence decisions. For example,

local government commissioners are often maligned for poor decision-making, inappropriately specifying contracts, and using competition as a crude tool, with the result that the wrong suppliers deliver the wrong services. While it is true that the quality of commissioning can be poor, there are reasons why these things happen: commissioners are stretched and often cover briefs they are unfamiliar with; they operate within unhelpful institutional constraints, such as the crude application of European competition law, all the while dealing with the involvement of politicians. Often they are committed to the same outcomes as the social sector organisations but, for a variety of reasons, act in ways that hamper achieving them. Pausing to understand what motivates these crucial actors, and the constraints they face, can help when planning for change, and can foster the conditions in which alliances can form. Berating commissioners for poor results without seeking to understand and engage them will not result in much. Engaging multiple actors is key and we need to keep an open mind about who to engage and how.

“Find people who have the energy to change the system, bring them together, empower and enable them to create change.”

RACHEL SINHA, FINANCE INNOVATION LAB

“We need to understand our politicians more, see them as allies where possible and use the networks surrounding them.”

ANTONIA BANCE, SAFELIVES

PRINCIPLE 3: Map the system

As we saw in the previous section, there is no consensus within the systems change field about the importance of mapping, or how to go about it. For some a comprehensive description of a system is an essential first step, while for others, attempting to describe complexity in so much detail is futile and a distraction from the business of acting and 'learning as you go'. There is clearly a balance to be struck. A process of reflection and enquiry in order to improve understanding of the system being acted on will not do any harm and may very well help. There is no right way of doing it, and it is not something that has to be done once at the beginning of the process and never again. A map paints the picture of how a system is understood, but it will always be imperfect. As the learning perspective suggests, this understanding should be revisited and defined as events unfold and the functioning of the system becomes clearer.

Attempting to paint a picture of how a system is understood is sensible, but it does not always have to be a map. Another approach is to write down impressions of a system and explain how it functions. 'Mapping' is just a term for how those in the systems change literature think about the process of describing a system, and although there are formal methodologies for doing it, there are no hard and fast rules about what it should look like. The best approach will be dictated by the situation, the type of change being sought, and by whom.

Mapping is powerful because it gives us hints for what is important about understanding a system, and, regardless of method and degree of formality, these are the things that the mapping process can help to reveal. A map might attempt to describe the main actors in a system and how they relate to each other, whether they will be potential allies or likely to resist change (basic stakeholder mapping that many will be familiar with does this). It can illustrate the flows of demand and activity and any feedback loops that have been identified. It can also be used to capture intangible aspects of the system such as the beliefs or assumptions of different stakeholders, and the different points of view or ways of seeing the situation that are most commonly held. Crucially, mapping can help define the boundary for the system in question. This kind of understanding is important as it helps to identify causes and effects, key actors, points of leverage, what can be controlled or influenced and what cannot.⁹² The process of describing the complex landscape of a system, and in doing so simplifying it and identifying its principle features, does have the feel of mapping, and although we don't need to feel constrained by the term it is an appropriate one.

"Mapping out the problem and current response can tell a story of why there needs to be change."

DIANA BARRAN, SAFELIVES

"We need to understand how a system operates to know how to change it."

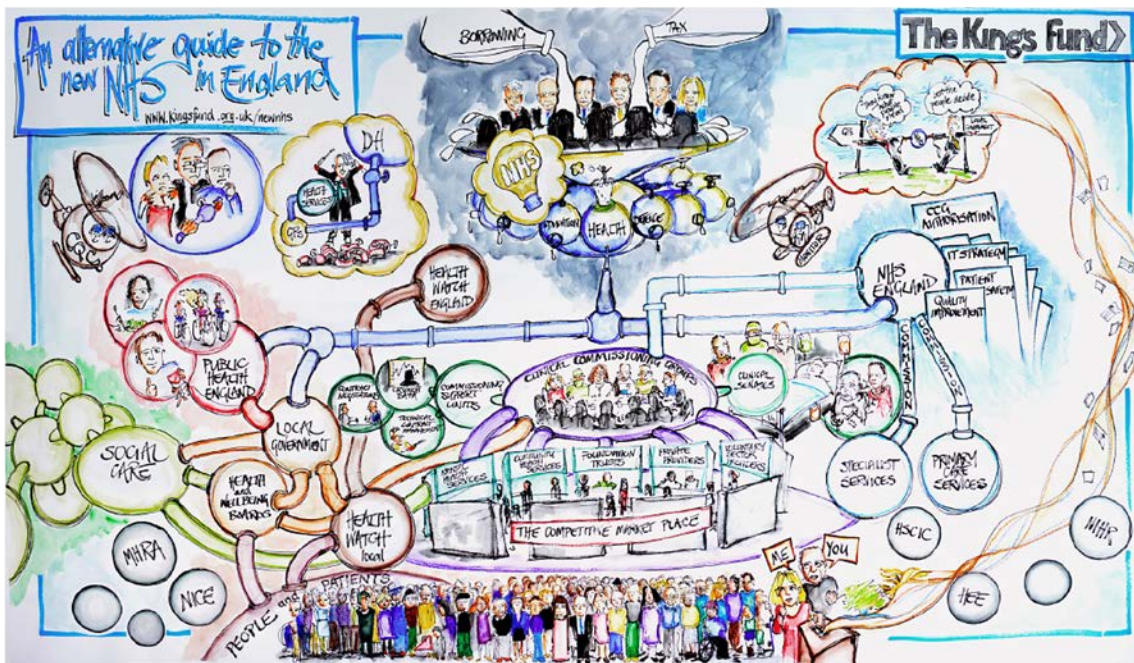
AMANDA BESWICK, OAK FOUNDATION

The process of mapping can also be helpful in itself. It can allow stakeholders to compare their perspectives and arrive at a better mutual understanding, and it can start to build a consensus about the objectives for change.

“With mapping, always ask yourself: how does it help and why are you doing it?”

ZAID HASSAN, REOS PARTNERS

Figure 7: Example systems map of the NHS in England from The Kings Fund⁹³



Doing systems change

The next three principles build on the insights gained from a planning stage and look at what the systems literature tells us about how systems change is done. As we have argued previously, the systems change literature is at its most concrete and compelling when making the case for changing systems, but can be vague about how to achieve it. Nonetheless it offers some useful principles to those working to achieve social change. They are not comprehensive and we are not arguing that they cover all that will be necessary in every situation, but when faced with the complexity and interconnectedness of difficult social systems they can help guide sensible action.

The aim of systems change initiatives can vary immensely, from seeking to reform policies and services, to altering the distribution of resources, to changing the nature of power. While these may sometimes feel like tall orders, it is important to note that systems are continually changing, and because they are made up of inter-related parts, change in one part of a system has the potential to impact other parts of the system in positive ways that cannot always be anticipated. Systems are not usually static but in a state of constant flux and adjustment—they can and do change.

When implementing systems change it is important to:

- **work with others—build movements, consortia, networks, to amplify your efforts;**
- **avoid getting bogged down in the complexity of systems;**
- **act on points of leverage where there is a realistic prospect of changing the system; and to**
- **learn—and use that learning to adapt what you do.**

With these general principles in mind, we turn to the first of our three guiding principles for action.

PRINCIPLE 4: Work with others

Positive change to systems almost always relies on multiple actors, making it vital to think beyond the boundaries of individual institutions. This is especially true for civil society organisations that do not have access to the levers of power, though it should not be assumed that government—which theoretically has that access—finds it easy to change systems either. The reasons why it makes sense to work with others are numerous: different actors have access to different points of leverage, may have access to different networks, and can bring different assets to bear. Furthermore, the needs of beneficiaries are often complicated requiring a range of skills to address. Working together is not just about different people bringing different parts of the solution, it is also about knowledge and understanding. Each organisation within a system will have its own unique experience and positional perspective, contributing invaluable insight into the different parts of it; differing world views, assumptions and opinions on what needs to happen all contribute to a more holistic understanding. In addition, sharing these perspectives can in itself build a sense of shared purpose and momentum for change, even where organisations have different interests and objectives. Systems change is hard work, and finding sources of support and renewed energy can help preserve commitment when things are difficult.

Example In the last decade, the IAPT (Improving Access to Psychological Therapies) programme was launched to make counselling available to people suffering from depression and anxiety. IAPT was a response to the over-reliance within the NHS on prescribing anti-depressants, and aimed to make talking therapy—for which there is a good evidence base—more widely available. IAPT happened because of lobbying by mental health charities, by the Cognitive Behavioural Therapy profession, and by high profile individuals who had credibility with government, notably Richard Layard of the LSE. These different actors shared a common goal and benefitted from the support of insiders within the NHS and government. Ultimately this led to government policy and funding decisions, changes to the way the NHS and doctors work (although still a work in progress), and the involvement of charities and private sector organisations in delivery.

What we have articulated so far is largely common-sense and is not new; charities are frequently exhorted to work more together. What systems change does is to bring the imperative to collaborate into sharp focus. A systemic diagnosis of social problems makes the limitations of working in isolation painfully clear and highlights that, generally speaking, organisations overly concerned with their sovereignty, or with taking credit for results, will find it harder to change systems. It is not always essential that systems change is a collaborative effort, but for all these reasons it will frequently be more likely to succeed if it is. In NPC's view a collaborative approach should be the presumption of anyone ambitious to change a system. That does not mean, however, it is easy to do. There are risks, and the failure of collaboration can lead to poor quality work, or the loss of intellectual property or relationships. But this tells us that it needs to be carefully managed—not avoided.

Charity campaigns provide several excellent examples of effective collaboration intended to have a systemic impact.

“More collaboration and equality will lead to better systems thinking.”

SARAH BILLIALD, COLLABORATE

“Inside and outside actors need to work together and be allies.”

ZAID HASSAN, REOS PARTNERS

Example The International Campaign to Ban Landmines (ICBL), was a coalition of NGOs that worked together to achieve a common goal of a mine-free world.⁹⁴ The campaign was formed in 1992 with six founding organisations, but grew quickly into a network with active national campaigns in over 100 countries. The national campaigns, in turn, were broad coalitions of organisations ranging from church and anti-war groups, to trade unions and development organisations, as well as individuals such as lawyers, military veterans and journalists. Nationally and internationally, the campaign teamed up with government negotiators (from Austria and Norway to Canada and South Africa) as well as international organisations (such as the International Committee of the Red Cross) to push for the creation of a new international treaty. Campaigners had a seat at the negotiating table when the Ottawa Treaty was drafted and the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction, as it is officially known, was adopted in 1997. Today, the campaign is involved in monitoring the implementation of the treaty and has a formal role at treaty meetings. The ICBL was awarded the Nobel Peace Prize in recognition of its role in achieving the ban and [in recognition] of the promise of the new diplomatic model it had created—a model involving networking worldwide with different actors, including NGOs and governments.

PRINCIPLE 5: Distribute leadership

Writers on systems change are fond of talking about the necessity for new models of leadership where responsibility and power are 'distributed' throughout organisations and networks. There is debate about how new this thinking is: the limitations of centralised, top-down, leadership have been discussed within the management literature for many years, but whatever the case, the central argument is a powerful one. It goes something like this: top-down leaders can exert only weak control on what happens at the frontline of their organisations, and the information flow back to them is often slow and prone to distortion. These effects are exaggerated when working in complex and unpredictable situations, or across organisational boundaries, as might often be found in a systems change context. This suggests that it is better to give more responsibility to staff working closer to the frontline who understand the situation best, and empower them to take quick decisions and deploy resources flexibly in response to need.⁹⁵ In other words, leaders have a role in setting intent, but should be wary of dictating how change will be pursued.

A common example of where it goes wrong is in central government, where, for understandable reasons, crises and public pressure make the temptation to intervene in how things are done irresistible. Although central government can be effective in setting expectations or objectives, it is less likely to be able to design, control and implement successful solutions. Examples of these limitations are legion within the public sphere.

Example In 2001, £21 million was earmarked for ambulance services to improve performance.⁹⁶ Most of this money went outside London to services that were most in need of improvement, but this ended up costing the London Ambulance Service, one of the best performing areas, £1.5 million. This was because ambulance services used the extra funds to recruit staff, and most of these were from London. It cost the London Ambulance Service around £20,000 in recruitment and training costs to replace each person that had left as a result of this cash injection.

Although the argument about the empowerment of staff, and indeed beneficiaries, is not new, it is surprising that it is still not more common. Many organisations in the social sector remain hierarchical, and the myth of the heroic leader is still prevalent. Furthermore, exactly what it means to 'empower staff' is often vague. It is hard to do well, and success still depends on visionary managers not only able to set direction and make the case for change, but, crucially, able to create conditions in which distributed leadership can work. This means developing a culture that expects and rewards the right kind of behaviours, supported by systems, structures, and performance management processes that help. It means investing enough in having the right people with the right resources. A key issue is the need to ensure that responsibility is delegated, not abdicated, and that local power can be exercised effectively.

"We need good leaders who will take risks that lead to collaboration and networks."

ROBERT POLLOCK, PUBLIC SECTOR
TRANSFORMATION NETWORK

In a systems change context the idea of distributing leadership goes further than individual organisations and often needs to operate at multiple levels of the system. Depending on the system in question, this could mean leadership at a national level, local level, organisational level, and individual level. It could also mean enabling beneficiaries to take control of their situations, and use the assets they have. The personalisation agenda in social care is a good example of this. Although not perfect, personalisation has given purchasing power to service users, meaning they have choice, and are no longer passive recipients of whatever is given. Potentially a radical and disruptive change in the balance of power, although one yet to be realised.

Example The Sustainable Food Lab was established in 2004 to bring non-governmental organisations, multi-national food companies, governments and farmers' groups together to improve sustainability in the food system.⁹⁸ It is a cross-sector collaboration with legitimacy and independence, and those with formal power have lived the values of collaboration rather than paying lip service to it. Since its inception, the Sustainable Food Lab has initiated many projects, including the Sustainable Livelihoods Initiative which focuses on addressing barriers to small-scale farmers' participation in food supply chains. With an emphasis on ethically sourced food, there have been some replicable successes; bean farmers in Ethiopia, cocoa farmers in Ghana, and produce farmers in Kenya have all gained access to markets which would have been impossible without the Lab. A sense of responsibility for change throughout the network and a commitment to collaboration has been an important feature of the Sustainable Food Lab's success. There is no one organisation that has led this change, and forging partnerships with such unlikely friends has increased the prevalence of ethically sourced food, introduced small farmers into the supply chain, and raised awareness of sustainability and food security.

"Distributed leadership is necessary so the whole team becomes accountable for success or failure."

ZAID HASSAN, REOS PARTNERS

"We need to talk to the users of services and share the power."

MARK JOHNSON, USER VOICE

PRINCIPLE 6: Foster a learning culture

Learning has come up again and again in our research because of its value in dealing with the uncertainty and unpredictability involved in acting on complex systems. For that reason, fostering a learning culture is the final principle we identify for implementing systems change.

To recap: what is meant by learning in this context is the process of understanding the situation that an organisation is in, generating knowledge on what is and what is not working, considering how things are changing, and, crucially, using that knowledge and understanding to adapt and improve. A learning organisation is continually engaged in an iterative process of planning, doing, reviewing and reflecting. The catch is that much of the learning process happens at the level of the individual, and it is difficult to mandate that people learn. It becomes near impossible if the culture of an organisation doesn't support and reward it. For this reason the literature on learning emphasises the role of culture in enabling meaningful learning to occur. If learning is the norm then people will do it without having to be told to. Although culture is intangible, there are very concrete things that can be done to create a learning culture, above all demonstrating that the generation and application of knowledge is valued. Our suggestions, based on the literature, are to:

- encourage the generation of ideas, experimentation, and problem-solving at all levels of the organisation—blame will quickly kill these things off;
- insist on time and space for individuals and teams to reflect on what they are learning and how they need to adapt;
- be open to the external world and learn from what others are doing, whether they are peers, experts, or academics—it is cheaper and easier than having to invent it yourself; and
- adapt your approach in response to what is learnt, both little and often, and through major re-alignments where called for.

This last point—the need for a practical response—is fundamental. Learning without adaptation has little value for systems change.

“There is no failure, just learning.”

RACHEL SINHA, FINANCE INNOVATION LAB

Example Portsmouth City Council's reorganisation of their housing repair and maintenance services. Unlike many local authorities, Portsmouth City Council has retained direct management of its housing stock, making it one of the largest social landlords in the country. Local councillors were receiving a multitude of complaints about untimely repairs, and the housing department decided to bring in external 'systems-thinking' consultants to help management challenge its thinking and reform how the service was run.⁹⁹ Managers learned that the way the process had been designed—with tenants ringing a call centre, work scheduled according to pre-set specifications and performance managed by activity targets (how many jobs were carried out in a day)—was not effective. The existing processes meant that even though the performance management boxes were ticked, workmen were turning up to make repairs when tenants weren't in, or came to a property to do the wrong job, or with the wrong tools or materials. Almost half the demand for the service was 'failure demand'—tenants asking for repairs to be done, or done correctly, that should have already been sorted out. Managers in the housing department came to understand that learning what mattered to their tenants was the only way to continuously improve services. The simple expedient, for example, of asking tenants when it would be convenient for workmen to visit greatly reduced the number of missed appointments. The approach was highly successful: the satisfaction rates of tenants greatly improved, and the new repair timelines significantly undercut official government targets.¹⁰⁰ Furthermore, the City Council's housing department achieved a 12% reduction in resource usage because it was more effectively meeting people's needs.¹⁰¹

“There needs to be headspace for people to have ideas and grow.”

SIMON JOHNSON, ADVICE UK

“Energy should be put into improving the system, not on blame and fall out.”

CLARE HYDE, FOUNDATION FOR FAMILIES

CONCLUSIONS

Systems change and systems thinking are gaining traction in the social sector. Frustration with enduring social problems such as homelessness and child poverty is growing, and people are turning to the systems literature for ideas about what to do. As we have seen in this guide, many of the principles for action are not especially new in themselves and can be found in other schools of thought—but of particular interest is the way that systems literature is suggesting innovative ways to address perennial social problems. In addition, the systems change approach is generating a wave of enthusiasm about the potential for making meaningful social progress, and this is something that the social sector should capitalise on.

There is no blueprint for how to bring about systems change, and it certainly is not an easy thing to do. Changing the way systems operate requires vision, persistence and, in some cases, luck. At its core, systems change is about maximising social impact with the resources available, and thinking strategically about problems and solutions while setting aside personal and institutional interests.

In the perspectives section in this guide we explored the landscape of approaches to systems change. These vary in terms of philosophy and methodology, but nevertheless, in NPC's view, offer common principles to guide action that we have articulated in the good practice section. These principles are designed to help people in the social sector understand the environment in which they work, and work out how to use their resources effectively to create significant social impact.

Reflecting on what we have learnt about systems change, and about its practical application, we have concluded that there are some specific things that those who are committed to addressing social problems would be well advised to reflect on in their own work. We have split these conclusions into sections for charities, funders and the public sector, and it should be emphasised that these are NPC's own opinions.

LEARNING FOR CHARITIES

Charities can tackle social problems in a more systemic way by:

Challenging themselves on mission

The danger for charities is that they inadvertently support a system that is broken. Over time, responding to commissioning and grant funding opportunities defined by others risks relegating the role of charities to one of providing services within a system that serves beneficiaries poorly. Decisions that are sensible in isolation can cumulatively and gradually cause substantial drift away from mission unless care is taken. Charities owe it to their beneficiaries to regularly and seriously challenge themselves on what it would take to achieve their mission, and compare this to the services they provide. Returning to first principles may sometimes be an uncomfortable process, but it is essential.

Advocating

Charities often work at the frontline of social problems, dealing directly with those affected. As a result they are in a good position to understand what the problems are, not only in terms of the experiences of their beneficiaries, but also looking at how the behaviour of different agencies is helping or hindering. In other words, they are able to tell the story of the people they work with, and illustrate how dysfunctions in the system are contributing to their problems. Because of this, charities are in a position to advocate for system improvements which can be done in a range of ways, from campaigning to achieve policy objectives to working with the public sector to improve the way services work. Giving a voice to those who lack one, and painting a picture of how systems can be made to work better for them, are some of the most powerful interventions charities can make.

Collaborating

The voluntary sector is full of great examples of collaboration, large and small, but NPC would argue there is much more that can be done. Too often there is an instinct to go it alone, but this may not be in the interests of beneficiaries. Few individual charities have the tools to make a real difference to social systems working alone. A systemic approach means building movements for change across institutional boundaries, and this is as true for funders as it is for charities. Whether this involves combining with similar organisations who share a policy objective to run a single campaign, working with those with complementary skills to provide a more holistic service, or partnering with the public or private sector, collaboration is key.

Learning

A major and recurring theme in the systems literature is the imperative to be constantly reflecting, learning and adapting. Charities can generate knowledge themselves through their understanding of the issues and through collating evidence on what is working and what isn't. Achieving a high standard of evidence is still a challenge for the sector, but progress has been, and continues to be, made. This knowledge only has value if it is acted on and shared with others so that they do not have to learn the same lessons and make the same mistakes. The converse is true: charities are not only the generators of knowledge—they can also utilise what others know, and this is perhaps where the sector is far less advanced. Making use of existing evidence; evaluations and research about what works; building on the work of others by adopting proven approaches—all these things happen, but it is far from commonplace and there is an opportunity here for the voluntary sector to do better.

LEARNING FOR FUNDERS

As social problems become increasingly complicated, with a blurring of the lines between the public, private and charity sector, funders need to think about whether their traditional funding approach is still appropriate. Working in isolation and reacting to requests for small-scale grants is legitimate if funders want to deal with current pressing problems, but if funders want to address the root causes of complex social problems, this approach will not work. Funders can work more systemically on social problems by:

Going beyond one-to-one grantee relationships

Making good grants to individual organisations is challenging enough, but the bad news is that funders who want to see a systemic effect from their work have to go further. It may be possible to change systems by working with one organisation at a time, but the chances are greatly increased by thinking bigger and finding ways to pool resources. This means seeking partnerships both with other funders, and with groups of organisations able to make a difference to the social problem in question. For example, The Edna McConnell Clark Foundation in the US pursue a 'capital aggregation' model that they have used to back Nurse–Family partnerships as well as the Harlem Children's Zone, among others. There is a need to recognise that scaling successful interventions and organisations is too big a job for any one funder to successfully take on.

Funding in a way that doesn't constrain

One-year grants, tightly restricted funding, and excessive monitoring regimes, are all practices that limit grantees' room for manoeuvre and constrain their ability to learn and adapt. Statutory funders are probably more culpable here than independent foundations, but only a minority of funders of any type take a genuinely patient approach. Systems change can be a long slog and funders need to be willing to fund for the long-term and encourage the inevitable learning, adaptation—and even failure—that take place over time. The default three-years of funding may not be enough.

Building the field

Too few funders see it as their responsibility to look beyond individual organisations to the field in which they operate, paying attention to the glue between organisations that allows them to perform, as well as to the organisations themselves. This might involve using convening power to help grantees create networks, funding collaborative work, or supporting good quality research about what works rather than spending small sums on individual evaluations. Examples are numerous, but the real point is that funders can encourage systems change by paying attention to infrastructure and to the connections between organisations, as well as to the organisations themselves. At the moment too few see the former as their business, preferring to focus on individual organisations, and yet by doing so, ironically, they limit the amount those individual organisations can achieve. Funders should also see themselves as part of the field and consider the wider role they have to play.

Learning

The learning imperative is every bit as relevant for funders as it is for charities. Indeed, the power and influence of funders in the sector mean that they are strategically placed to actively promote learning; they can also directly fund the generation and spread of knowledge and good practice. Funders, then, have an opportunity to make learning an asset they can deploy in pursuit of their mission, however, by the same token, they also risk inadvertently undermining learning. Being unsympathetic to failure; being inflexible when grantees need to adapt; collecting but not using monitoring data; not sharing what they learn; making grants in a field without first seeking to understand the current state of knowledge—although getting rarer, these things all still happen.

LEARNING FOR THE PUBLIC SECTOR

The statutory sector cannot be ignored by those interested in solving social problems since there are few social problems that the voluntary sector can solve by itself. Public services—prisons, schools, children’s care homes, GP services, and so on—are inevitably intrinsic to the systems surrounding complex social problems. They can be both part of the problem and part of the solution, and regrettably there are many examples of services failing to meet people’s needs, not acting preventatively, or operating in silos with conflicting objectives. At the same time the public sector has scale, resources, and expertise: when it works it is a big part of the solution.

The public sector can help change systems for the better by:

Using the voluntary sector better

Much of the discussion about the relationship between the voluntary sector and the state is about how the state can improve its commissioning practices, and, from the perspective of charities, how they can get hold of a larger share of government funding. There is a risk that framing the discussion in this way misses the point about the potential role of social sector organisations in changing systems for the better. The sector can provide an understanding of the situation on the ground, can help diagnose where services are not working and work out how to improve them. It can function as a research and development partner, innovating and piloting new approaches. It can work preventatively, and with the hardest to reach groups. The voluntary sector provides government with an opportunity to do its job better and its freedom for manoeuvre can enable it to act as a catalyst to shift systems where the state’s constraints mean it cannot. This is the potential the voluntary sector offers the state, but too often it is treated as part of a centrally commissioned delivery chain, and a marginal one at that.

Reducing fragmentation

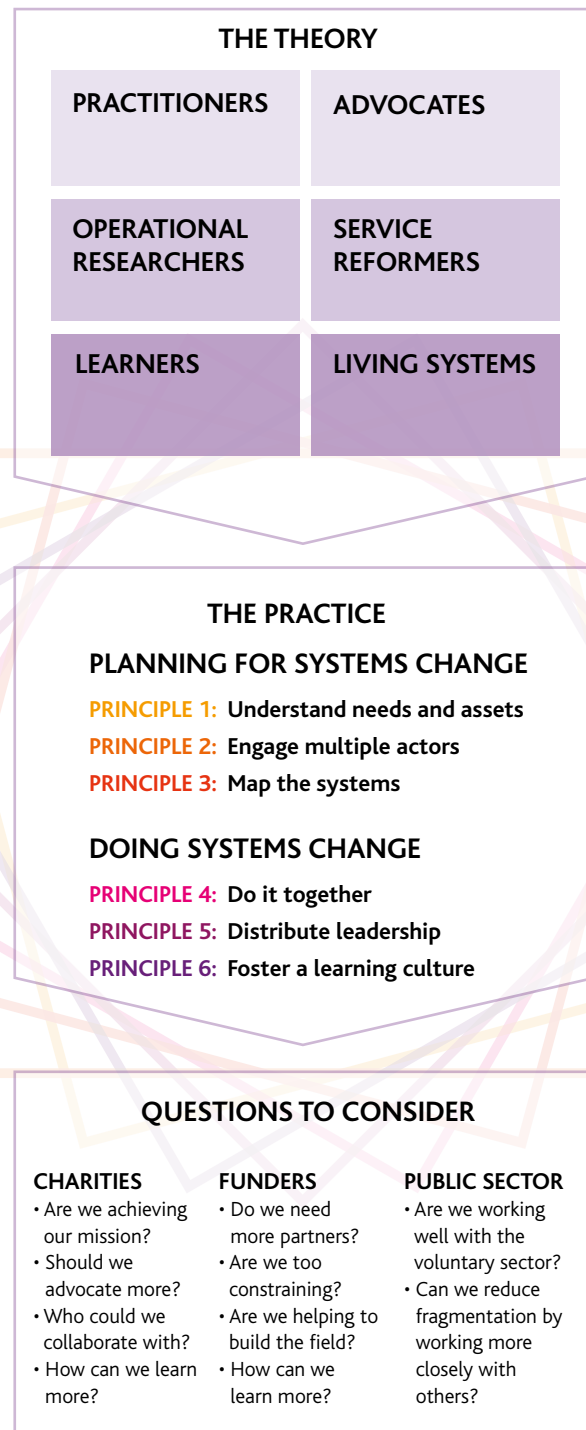
Exhorting different arms of government to work together is a tired theme. It is obvious that public services would function better if demand was not passed around, if errors by one service did not make things harder for others, and if benefits accruing to a different part of government were not a barrier to change. These issues have always been a problem: given the scale, inertia, incentives and politics, they are far from easy to address. Nonetheless, taking a systems perspective highlights how fundamental a challenge better co-ordination within government is when it comes to complex social problems, and for that reason it would be negligent not to highlight it here, whilst acknowledging there are no easy answers.

SUMMARY

Systems change is a somewhat abstract notion, drawing from a diverse literature from varying disciplines, however—as we have shown in this guide—there are common threads which connect the different approaches, and certain principles that most practitioners (and theorists) would agree on. Within the social sector we are often painfully aware of systems failure, as evidenced by the growing need in so many areas and the very visible effects on the lives of vulnerable and needy people. The complexity of social systems which, as we have shown, are often made up of a number of interacting or nested systems, makes the task of redress that much more difficult. This report has attempted to focus on those aspects of ‘systems change’ theory and practice which are of most benefit to actors in the social sector, and to provide an outline methodology which will help to untangle the complexity of social systems, giving new perspectives that can lead to effective and appropriate action.

We have noted that simple to-do lists and check-boxes are inappropriate here: systems change is, ultimately, a new way of *thinking* about the social landscape and the players within it—a paradigm that challenges conventional solutions; a philosophy of life, rather than a methodology for change. This should not surprise us since—especially in the social sector—systems are made up of human actors, often themselves holding strong political and philosophical views. It is a reminder of the danger of treating social systems like industrial processes, neglecting the human dimension.

This does not mean, however, that there are no practical implications or principles. The key principles we have identified will help guide change-agents, and furthermore, although there is no hard-and-fast methodology, this does not mean that a methodological approach is lacking—it simply means that one must be wary of inflexibility in dealing with complex systems. The approach to systems change outlined in this report is summarised opposite:



ACKNOWLEDGMENTS

Interviewees

We would like to thank the following people for contributing their knowledge and expertise during the research process:

- Amanda Beswick, Director of Housing and Homelessness, Oak Foundation
- Andrew Barnett, Director, Calouste Gulbenkian Foundation UK
- Antonia Bance, Director of Policy and Communications, SafeLives
- Clare Hyde, Director, Foundation for Families
- Diana Barran, CEO, SafeLives
- Esther Foreman, Founder, The Social Change Agency
- Helen Bevan, Chief Transformation Officer, NHS Improving Quality
- John Patience, Chief Executive, The Nehemiah Project
- John Seddon, Occupational Psychologist, Vanguard
- Mark Johnson, Founder, User Voice
- Rachel Sinha, Co-founder, Finance Innovation Lab, ICAEW
- Richard Wilson, Director, Osca: Social Change Agency
- Robert Pollock, Director, Public Sector Transformation Network
- Sarah Billiald, Managing Partner, Collaborate
- Simon Johnson, Project Coordinator, Advice UK
- Sophia Looney, Director of Customer Focus, Essex Council
- Sophie Boobis, Head of Evaluation and Research, Fulfilling Lives
- Zaid Hassan, Managing Partner, Reos Partners

Advisory group

This research was supported by a panel of experts from the field who provided invaluable guidance and feedback on our research. The advisory group comprised:

- Adrian Brown, Principal, Boston Consulting Group and Executive Director of the Centre for Public Impact
- Alice Evans, Director of Systems Change, LankellyChase Foundation
- Anna Birney, Head of System Innovation Lab, Forum for the Future
- Cassie Robinson, Founder and Co-director, The Point People
- Charlie Howard, Founder, MAC-UK
- Rowan Conway, Director of Research and Innovation, RSA
- Tris Lumley, Director of Development, New Philanthropy Capital



REFERENCES

- 1 Holland, J. (1998) *From Chaos to Order*. Addison-Wesley.
- 2 Welbourn, D. et al. (2012) *Leadership of whole systems*. King's Fund.
- 3 Barabasi, A. (2002) *Linked: The new science of networks*. Perseus.
- 4 Meadows, D. (1999) *Leverage points: Places to intervene in the system*. Sustainability Institute.
- 5 Flood, R. and Jackson, M. (1993) *Creative problem solving: Total systems intervention*. Wiley. Fig 1.1, pp. 6
- 6 Midgley, G. (2000) *Systemic intervention: Philosophy, methodology and practice*. New York, Kluwer.
- 7 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 8 Foster-Fishman, P., Nowell, B. and Yang, H. (2007) 'Putting the system back into systems change; a framework for understanding and changing organizational and community systems'. *American Journal of Community Psychology* (39): pp.197–215.
- 9 Foster-Fishman, P. (2002) *How to create systems change*. Lansing.
- 10 Senge, P. (1990). *The Fifth Discipline*. New York, Doubleday.
- 11 Foster-Fishman, P., Nowell, B. and Yang, H. (2007) 'Putting the system back into systems change; a framework for understanding and changing organizational and community systems'. *American Journal of Community Psychology* (39): pp.197–215.
- 12 Flood, R. and Jackson, M. (1993) *Creative problem solving: Total systems intervention*. Wiley. Fig 1.1, pp. 6
- 13 Meadows, D. (1999) *Leverage points: Places to intervene in the system*. Sustainability Institute.
- 14 Miller, D. (2013) 'Systemic innovation as a conceptual tool'. *Systems Innovation: Discussion Series*. NESTA.
- 15 Seddon, J. (2013) 'Systems failure and systems thinking'. *Systems Innovation: Discussion Series*. NESTA.
- 16 www.institute.nhs.uk/
- 17 Welbourn, D. et al. (2012) *Leadership of whole systems*. Kings Fund.
- 18 Vize, R. (2014) *The revolution will be improvised*. Systems Leadership Steering Group.
- 19 Senge, P. (1990) *The Fifth Discipline*. New York, Doubleday.
- 20 www.foundationforfamilies.org.uk/
- 21 www.uservice.org/
- 22 Mulgan, G. (2013) 'Joined-up Innovation'. Systems Innovation: Discussion Paper. NESTA.
- 23 www.thesocialchangeagency.org/
- 24 www.forumforthefuture.org/
- 25 www.socialinnovationexchange.org/
- 26 www.lankellychase.org.uk/promoting_change_network
- 27 <http://osca.co/>
- 28 Senge, P. (1990) *The Fifth Discipline*. New York, Doubleday.
- 29 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 30 Corry, D. (2014) *How do we drive productivity and innovation in the charity sector?* NPC.
- 31 Senge, P. (1990) *The Fifth Discipline*. New York, Doubleday.
- 32 Reynolds, M. and Holwell, S. (2010) 'Introducing systems approaches'. In: Reynolds, M. and Holwell, S. (eds). *Systems Approaches to Managing Change: A Practical Guide*. Springer/Open University. pp.1–23.
- 33 Reynolds, M. and Holwell, S. (2010) 'Introducing systems approaches' in *Systems Approaches to Managing Change: A Practical Guide*, Reynolds, M. and Holwell, S., eds. Springer/Open University, pp.1–23.
- 34 Flood, R. and Jackson, M. (1993) *Creative problem solving: Total systems intervention*. Wiley.
- 35 North, K. (2005) 'An Introduction to Systems Thinking' in *In Practice*, Vol.103. Savory Center.
- 36 Meadows, D. (1999) *Leverage points: Places to intervene in a system*. The Sustainability Institute.
- 37 North, K. (2005) 'An Introduction to Systems Thinking' in *In Practice*, Vol.103. Savory Center.
- 38 Advice UK (2008) *It's the System, Stupid! Radically Rethinking Advice*.
- 39 www.adviceuk.org.uk/systems-thinking/
- 40 Checkland, P. (1981) *Systems Thinking, Systems Practice*. Wiley.
- 41 Reynolds, M. and Holwell, S. eds. (2010) *Systems Approaches to Managing Change: A Practical Guide*. Springer/Open University.
- 42 Reynolds, M. and Holwell, S. (2010) 'Introducing systems approaches' in *Systems Approaches to Managing Change: A Practical Guide*, Reynolds, M. and Holwell, S., eds. Springer/Open University, pp.1–23
- 43 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 44 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 45 Checkland, P. and Scholes, J. (1999) *Soft Systems Methodology in Action*. Wiley. Fig2.5 pp.27
- 46 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 47 Spear, A. and Kent Bowen, H. (1999) 'Decoding the DNA of the Toyota Production System' in *Harvard Business Review*.
- 48 www.vanguard-method.com/content/3/
- 49 Ries, E. (2011) *The lean startup: How constant innovation creates radically successful businesses*. Portfolio Penguin.
- 50 Vize, R. (2014) *The revolution will be improvised*. Systems Leadership Steering Group.
- 51 Advice UK (2008) *It's the System, Stupid! Radically Rethinking Advice*.
- 52 Seddon, J. (2003) *Freedom from Command and Control*. Vanguard Press.
- 53 Seddon, J. (2013) 'Systems failure and systems thinking'. *Systems Innovation: Discussion Series*. NESTA.



- 54 Reynolds, M. and Holwell, S. (2010) 'Introducing systems approaches' in *Systems Approaches to Managing Change: A Practical Guide*, Reynolds, M. and Holwell, S., eds. Springer/Open University, pp.1–23.
- 55 Pidgeon, C. (2010) *Systems Thinking and Public Sector Efficiencies*. Research and library services, Northern Ireland Assembly.
- 56 Office of the Deputy Prime Minister (2005) *A systematic approach to service improvement: evaluating thinking in housing*. London.
- 57 Buxton, P. in Pidgeon, C. (2010) *Systems Thinking and Public Sector Efficiencies*. Research and Library Services, Northern Ireland Assembly.
- 58 Seddon, J. et al. (2014) *Saving money by doing the right thing*. Vanguard and Locality.
- 59 Pidgeon, C. (2010) *Systems Thinking and Public Sector Efficiencies*. Research and Library Services, Northern Ireland Assembly.
- 60 www.vanguard-method.com/content/3/
- 61 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 62 Senge, P. (1990) *The Fifth Discipline*. New York, Doubleday.
- 63 Mintzberg, H. (1994) *The Rise and Fall of Strategic Planning*. The Free Press.
- 64 Hassan, Z. (2014) *The Social Labs Revolution: A new approach to solving our most complex challenges*. Berrett-Koehler.
- 65 Welbourn, D. (2012) *Leadership of whole systems*. Kings Fund.
- 66 Wilson, R. (2013) *Antihero*. Osca Agency Ltd.
- 67 Kania, J., Kramer, M., and Russell, P. 'Strategic Philanthropy for a Complex World' in *Stanford Social Innovation Review*, Summer 2014.
- 68 Informal networks (2009) *Wicked problems and the role of leadership*.
- 69 Hassan, Z. (2014) *The Social Labs Revolution: A new approach to solving our most complex challenges*. Berrett-Koehler.
- 70 Pidgeon, C. (2010) *Systems Thinking and Public Sector Efficiencies*. Research and Library Services, Northern Ireland Assembly.
- 71 Wilson, R. (2013) *Antihero*. Osca Agency Ltd.
- 72 Birney, A. (2014) *Cultivating systems change: A practitioner's companion*. Do Sustainability.
- 73 North, K. (2005) 'An Introduction to Systems Thinking' in *In Practice*, Vol. 103. Savory Center.
- 74 Parent, E. (1996) 'The Living Systems theory of James Grier Miller'. Available at: http://projects.iss.org/the_living_systems_theory_of_james_grier_miller
- 75 Wilding, H. (2010) 'A systems perspective on health and wellbeing'. Available at <http://helen.wilding.name/2010/12/12/a-systems-perspective-on-health-and-wellbeing/>
- 76 Birney, A. (2014) *Cultivating systems change: A practitioner's companion*. Do Sustainability.
- 77 Birney, A. (2014) *Cultivating systems change: A practitioner's companion*. Do Sustainability. Pp 24
- 78 Barlow, Z. and Stone, M. (2011) *Living Systems and leadership: Cultivating conditions for institutional change*. Center for Ecoliteracy.
- 79 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 80 Miller, J and Miller, J. (1992) 'Applications of Living Systems Theory' in *Analysis of Dynamic Psychological Systems*, Volume 2, Levine, R. and Fitzgerald, H. eds. Plenum Press.
- 81 Ibid.
- 82 Ibid.
- 83 Barlow, Z. and Stone, M. (2011) *Living Systems and leadership: Cultivating conditions for institutional change*. Center for Ecoliteracy.
- 84 Robertson, G. (2014) *Making a strategic shift towards early action*. Positive Ageing Associates.
- 85 Welbourn, D. et al. (2012) *Leadership of whole systems*. Kings Fund.
- 86 Leadbeater, C. (2013) 'The systems innovator' in *Systems Innovation: Discussion Paper*. NESTA.
- 87 Office of the Deputy Prime Minister (2005) *A systematic approach to service improvement: evaluating thinking in housing*. London.
- 88 Mulgan, G. (2013) 'Joined-up Innovation' in *Systems Innovation: Discussion Paper*. NESTA.
- 89 Reynolds, M. and Holwell, S. (2010) 'Introducing systems approaches' in *Systems Approaches to Managing Change: A Practical Guide*, Reynolds, M. and Holwell, S. eds.. Springer/Open University.
- 90 Birney, A. (2014) *Cultivating systems change: A practitioner's companion*. Do Sustainability.
- 91 Mundasad, S. (2015) 'NICE "sets price too high for NHS medicines"'. Available at: www.bbc.co.uk/news/health-31507861
- 92 Meadows, D. (2008) *Thinking in Systems*. Chelsea Green Publishing.
- 93 <http://www.kingsfund.org.uk/projects/nhs-65/alternative-guide-new-nhs-england>
- 94 www.icbl.org/en-gb/home.aspx
- 95 Vize, R (2014) *The revolution will be improvised*. Available at: www.localleadership.gov.uk/docs/Revolution%20will%20be%20improvised%20publication%20v3.pdf
- 96 Chapman, J. (2004) *System failure: Why governments must learn to think differently*. Demos.
- 97 Robertson, G. (2014) *Making a strategic shift towards early action*. Positive ageing associates.
- Welbourn, D. et al. (2012) *Leadership of whole systems*. The King's Fund.
- 99 Reos Partners (2013) 'The Sustainable Food Lab'. Available at: '<http://reospartners.com/sites/default/files/Change%20Lab%20Case%20Study%20-%20SFL.pdf>'; Sustainable Food Laboratory. (2015) 'About us'. Available at: www.sustainablefood.org/about-us-tab
- 99 Zokaei, K. et al. (2010) 'Lean and Systems Thinking in the Public Sector in Wales: Report for the Wales Audit Office'. Lean Enterprise Research Centre, Cardiff.
- 100 Ibid.
- 101 Seddon, J. and O'Donovan, B. (2012) 'A Systems Approach to Housing Repairs', *Case Studies in Service Innovation Service Science: Research and Innovations in the Service Economy*. pp 91–94.

TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy which occupies a unique position at the nexus between charities and funders, helping them achieve the greatest impact. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

Increasing the impact of charities: NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

Increasing the impact of funders: NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

Strengthening the partnership between charities and funders: NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.



New Philanthropy Capital (NPC)

185 Park Street, London SE1 9BL

020 7620 4850

info@thinkNPC.org

www.thinkNPC.org

New Philanthropy Capital is a company limited by guarantee.
Registered in England and Wales No. 4244715.
Registered charity No. 1091450. VAT No. 805 4105 66.

