Workshop on Systems Thinking and Capacity Development

Some Preliminary Conclusions

Report

16-17 March 2005

Maastricht

Introduction

ECDPM is now reaching the end of its case work for the study entitled Capacity, Change and Performance carried out under the aegis of the GOVNET. During the course of the work, a variety of issues have emerged ranging from the value of legitimacy to the effects of globalization on national capacity development. We are giving particular attention to four related issues:

- A systems approach to capacity issues,
- Networks as a form of capacity,
- A capacity framework which would help to assess capacity at the level of both organisations and formalized networks, and
- Approaches to the monitoring and evaluation of capacity.

We are using a four-stage process to explore each issue:
- preparation of a draft background paper,
- discussions with interested groups and individuals through a small workshop involving people who have thought about the subject in some detail and who have a particular interest in it,
- revision of the paper to take into account the discussions, and
- publication of the paper as part of the *Reflection*[1] series for the Capacity Study.

The Workshop

Peter Morgan has prepared a draft paper entitled *Idea and Practice of Systems Thinking and their Relevance for Capacity Development.* This paper was the subject of a two-day workshop on March 16 and 17, 2005 with the following specific objectives:

1. To develop a shared understanding of the rationale and key ideas underlying 'systems thinking' and explore their relevance for addressing capacity development issues
2. To explore possible operational implications of systems thinking and practical applications in addressing capacity issues and challenges

Characteristics of Systems

Peter Morgan's presented an overview of systems thinking with emphasis on the following issues:

- *Types of Systems* - There are many different kinds of systems, both hard and soft, but a perspective on human systems has the potential for opening up issues in a different way. Mechanical systems such as a watch are predictable but human systems are not because most participants have a range of options for action.
- *Systems within Systems* - We are all part of many systems, both informal and formal, and smaller systems are embedded into bigger ones, for example, a hospital is part of a broader health system. Understanding that organisations are systems helps to give people confidence that they are already mastering systems.
- *Emergence* - Emergent properties are characteristics of the whole system which cannot be found in any of its elements. Capacity is one such example. Emergence

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[1] Publications for the study fall into three categories: *Analysis* or cases studies, *Reflections* or theme papers and *Synthesis* or the final report which will likely come in more than one version adapted for different audiences.

results not from adding the elements but from the interrelationships among them, especially the interaction and struggle among actors. They are a form of social capital and contain an element of innovation. Emergent properties are virtually impossible to predict, to schedule or to control. Emergence depends on learning, especially how to do things in a different way. Because we are all parts of many different systems, it is important to clarify from which system we expect emergence.

- *Systems are self-regulating* - actors within a system try to make sense of what they are doing and are constantly renegotiating their perspectives. Because of this, systems tend towards instability and small actions can have a disproportionate effect, pushing them over the edge (the tipping point). This self regulation implies autonomy in the development of systems. Is it possible to manage the emergence of this self regulation?
- *Learning through feedback loops* is critical to a systems perspective and to improving the understanding of the actors of what is happening. De-learning of some mental habits is also important, such as the assumption that problems indicate failure. (They may in fact indicate the beginning of a transformation process or that the organisation is coming to grips with fundamental issues and these are being made more transparent.) The possible need for de-learning has implications for how to coach people on a systems perspective.

Implications of Systems Thinking

Discussions focused on the implications of systems thinking with the following points being key:

- *Explanatory Power* - A systems perspective has considerable explanatory power, especially in complex and/or chaotic situations and particularly for diagnosis. It encourages thinking about relationships and interconnectedness. It also encourages thinking about change, dynamics and movement and how the macro and the micro intersect. It helps to focus on what is happening and why. It has less cross-cultural baggage than many approaches and is hence useable in other cultures.
- *Customisation* - Systems thinking encourages looking for customisation to unique circumstances. It is less pre-occupied with best practice than other approaches.
- *Challenging Orthodoxy* - A systems perspective has the potential to be destabilising because it overturns some conventional thinking, such as the need for measurable targets and outputs and the power of planning. Some cultures are very uncomfortable with the uncertainty of this approach. In addition, there are a lot of vested interests supporting the status quo. There are thus tensions but also opportunities between a systems perspective and present implementation approaches.
- *Relationship to Reductionist Thinking* - Reductionist thinking, despite its rather negative connotation, still has an important role to play. Different thinking styles lend themselves to different situations. In addition, combining a systems perspective and reductionist analysis may be a useful combination in some situation. The two may move in parallel or in succession but with frequent adjustments, for example, the process of developing a strategy may draw on systems thinking but once the strategy has emerged from brainstorming, it is reductionist until it is revisited. That being said, because there is a tendency for people to fall back into reductionist thinking, organisations need to revisit from time to time the balance between holistic perspectives and reductionist approaches.
- *Limitations of Log-frame* - Some processes such as the logframe, which was based on systems thinking, have become more reductionist than originally conceived. In

addition, it doesn't show interrelationships nor the dynamics of change. Such donor procedures can be major impediments to change processes and the agents seeking to promote them.

- *Mastery or Mystery* - Targeting and moving towards preselected objectives destroys any sense of experimentation. Systems thinking, on the other hand, allows us to look more broadly for outcomes - to the unexpected and the unintended. It implies that we need to create environments for emergence to evolve and to avoid suffocating processes. At the same time, there is room for purposeful action within a system and for leadership to give value, shape and corporate identity. There is space for champions to push the system.

- *Implications for Results Measurement* - A systems perspective requires a rethinking of how to measure results and why. Much present monitoring is problem focused rather than looking at what can motivate actors and what is significant for them. This focus on the negative often misses the successes or the unexpected outcomes. Such systems are often externally imposed, predetermined and extractive. They are usually established to prove that there are few and preferably no mistakes happening, rather than to learn from experience, including the errors. In that sense, monitoring is often symbolic behaviour designed to buy legitimacy for the actors involved by warding off accusations of mismanagement. There is no incentive for organisations to admit problems and the riskiness of development cooperation is downplayed. The development community sends the message that whatever it undertakes, it will succeed. This, in turn, cycles back into the programme planning cycle to encourage Pollyanish approaches whereas in development cooperation failure is probably the norm, and success the exception.

- *Elements for practitioners to look at*:
  - levels - individual, organisational, networks, institutional or society
  - dimensions - resources, incentives, structure, culture, values, identity, economics, productivity, efficiency, competence, learning, knowledge, rules, regulations, procedures
  - dynamics - systems change management, relational, psychological, technical assistance, performance, output

- In order for people to see a systems perspective as useful, they need
  - space for reflection,
  - the confidence and skills to use it, and
  - simple tools.

Some Challenges

In conclusion, participants looked at some of the challenges ahead in trying to apply systems thinking. These include:

- To boil systems thinking down to a useful level - demystify it, keep it simple.
- To integrate other approaches into systems thinking
- To understand the dynamics of a system
- To understand where we can legitimately use planning
- To develop a language to think about capacity and systems
- To deal with the sensitive and undiscussable issues that come out of a systems perspective such as political issues
- To deal with the open-ended experimentation implied by a systems perspective
- To explore the borderline and the balance between a systems perspective and reductionist thinking and how to keep people from falling back into purely reductionist thinking.
- To identify ways of looking at situations holistically, such as through PRA. To develop the capacity to work with systems issues. Who needs this and how do they acquire such skills? Are there ways to do this systematically? Are some people intuitively more systems thinkers than others?

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