

THINKING BIG

HOW TO USE THEORY
OF CHANGE FOR
SYSTEMS CHANGE

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OUR STARTING POINT: CHALLENGING OURSELVES

If all of us in the voluntary sector are to become effective agents of change, we need to get better at challenging ourselves. Why? Because although there is much to admire in our sector, there is also widespread dysfunction that limits impact.

For example:

- organisations that focus on survival rather than impact
- cultures that fail to generate or use knowledge
- strategies that deal with the symptoms of issues, not the root causes
- funding and commissioning practices that encourage short-term fixes

There are many reasons why these dysfunctions exist and some are beyond our control. But in NPC's view, asking if we are doing all we can to achieve our missions—as individuals, organisations, and as a sector—can go a long way towards correcting these failings. That is the starting point for this work.

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BRINGING THEORY OF CHANGE AND SYSTEMS CHANGE TOGETHER

THE SYSTEMS CHANGE CONTEXT

At NPC we often work with organisations that are trying to make a difference to difficult and persistent social problems like substance misuse, homelessness, and generational disadvantage. These are systemic problems as much as individual ones. Consequently, more and more organisations that have set out to address them are thinking of their work as **'systems change'**¹.

When an issue is described as 'systemic' it tends to mean that it is the product of complex and multi-layered factors. For example, the causes of re-offending for women with a drug addiction include: lack of meaningful employment opportunities; the way they are prepared for release by the criminal justice system; the attitude of the courts; wider policy on criminalisation of drugs; social stigma; and the behaviour of the individual. This is not an exhaustive list but illustrates the complexity of the 'system' that surrounds a social problem.

'When we are blind to the systemic causes of problems, all the solutions we try will likely make matters worse.'

ESTHER DERBY²

Systems change is both a way to understand why difficult social problems persist, and an effective challenge to our own role in tackling them.

This paper is the result of an inquiry into whether theory of change is helpful or unhelpful for planning systems change. We looked at questions like: Does theory of change encourage organisations to think systemically? Is it a useful planning tool for those explicitly pursuing systems change? Can it provide the kind of constructive but fundamental challenge that is needed?

We think that, with the right approach, theory of change can support systems change. We have pulled together our findings into this guide for organisations who want to take a systemic approach to their work.

WHERE THEORY OF CHANGE FITS IN

Theory of change was originally developed to model and evaluate complex change initiatives, so it is clearly related to systems change.

The Aspen Roundtable on Community Change³—which pioneered theory of change in the 1990s—has used it to explore areas like tackling systemic racism or promoting equitable economic development⁴. At NPC, we've supported numerous charities to use theory of change to design and evaluate strategies for influencing social change in areas from domestic violence to disability rights⁴.

As a process, it can:

- help organisations think through what it does and why
- reveal assumptions and flaws in logic
- engage staff and stakeholders, providing a sense of common purpose
- test the rationale for what an organisation does
- structure an impact measurement framework

Above all, developing a theory of change provides a precious opportunity for a **moment of reflection** that can rejuvenate a charity's sense of purpose.

Theory of change as a moment of reflection

A lot of the value of theory of change as an approach comes from the process itself. Developing a theory of change involves key players coming together, taking a step back from their day-to-day work, thinking about what they are trying to achieve and how they might best achieve it, and aligning themselves in purpose and approach. This moment of reflection is a brilliant opportunity to support efforts to drive systems change; an opportunity that can be limited by common **pitfalls**, or maximised by some **rules of thumb**.

Overcoming the common pitfalls of using theory of change

Throughout our inquiry, we encountered concern that theory of change as an approach has lost its way. While it started as a way of navigating complex change, some feel that it has become governed by unhelpful practices. All too often, they say, theory of change does not provide the kind of fundamental challenge that systems change calls for. It may be used to comply with external demands or to provide a retrospective justification for what an organisation already intended. Theory of change diagrams are fetishised, when it is the process of thoughtful reflection and challenge that provides the real value.

More specifically, critics argue that theory of change suffers from pitfalls including:

- placing the organisation at the centre of a picture whilst **neglecting context**
- **emphasising how we seek to change others**, rather than turning the mirror on ourselves
- encouraging us to **think in linear terms**, with simple cause and effect
- becoming a '**safety tool**'—a fixed plan that ironically provides the excuse not to adapt when things change in the world
- seeing **change as technical**, emphasising inputs and outputs rather than people and relationships

Our view is that these pitfalls are not inherent to theory of change as a process. Many of these issues stem from factors that go far beyond theory of change: funders inflexibly holding organisations to account for specific outcomes, or organisations seeking safety in certainty. They reflect our wider culture, values, beliefs, education systems, and power dynamics.

It is not inevitable that theory of change is practised in this way: we have seen many examples where it challenges assumptions and encourages deeper reflection.

Five rules of thumb for using theory of change for systems change

Our rules of thumb seek to counteract the potential pitfalls encountered when using theory of change, and ensure theory of change is practised in a way that will work in a systems context. They draw on conversations with practitioners and examples of organisations that have used it effectively.

When we use the phrase 'rule of thumb' we are not talking about hard and fast rules that must be followed, but rather trying to describe the habits of thought or mental shortcuts that guide our day-to-day decisions.⁶ Attending to each of them will maximise the moment of reflection that developing a theory of change provides.

1 UNDERSTAND CONTEXT

Developing some understanding of your environment is essential for acting on it effectively.

2 KNOW YOURSELF

The contribution to change you can make is a function of the assets you have, of your strengths and weaknesses, and how they relate to the context you are in.

3 THINK SYSTEMICALLY

A habit of thought that means considering underlying causes and interdependencies, being aware of tacit aspects of the system like power structures, and searching always for ways to exert leverage.

4 LEARN AND ADAPT

The complexity and uncertainty of systems change makes learning and adapting a necessity, and theory of change can provide a framework to guide this process.

5 RECOGNISE CHANGE IS PERSONAL

Change is about the people in a system, their values, beliefs, relationships and feelings. We cannot just expect the 'other' to change whilst demanding nothing of ourselves.

Table 1: Common pitfalls of using theory of change and their related rules of thumb for taking a systemic approach

PITFALL	RULE OF THUMB
NEGLECT CONTEXT	UNDERSTAND CONTEXT
CHANGE OTHERS ONLY	KNOW YOURSELF
THINK IN LINEAR TERMS	THINK SYSTEMICALLY
SEEK SAFETY IN CERTAINTY	LEARN AND ADAPT
CHANGE IS TECHNICAL	RECOGNISE CHANGE IS PERSONAL

The five rules of thumb can be employed to inform the process of developing a theory of change.

Figure 1: Developing a theory of change

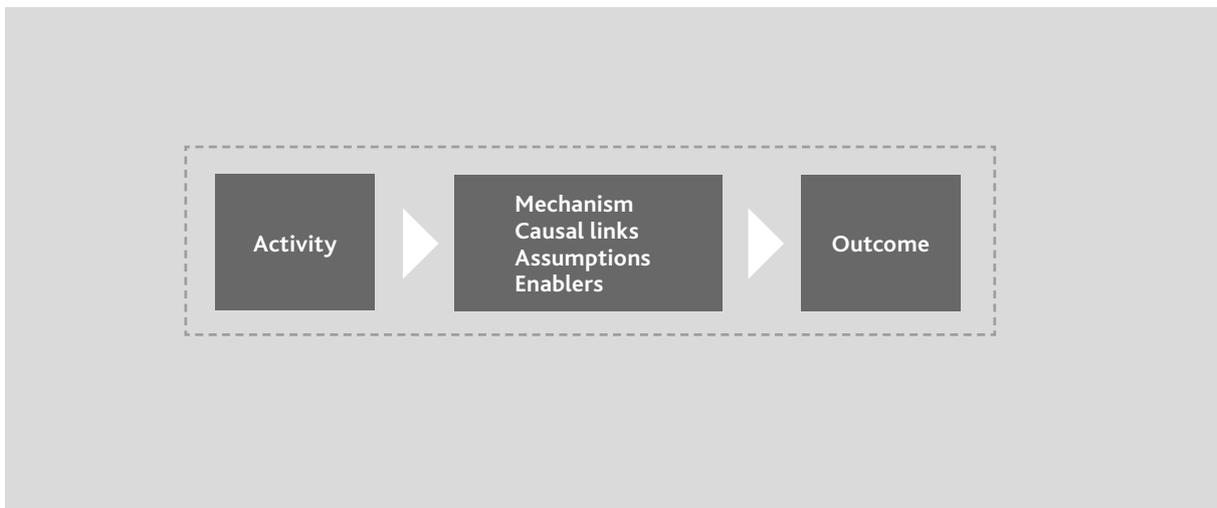
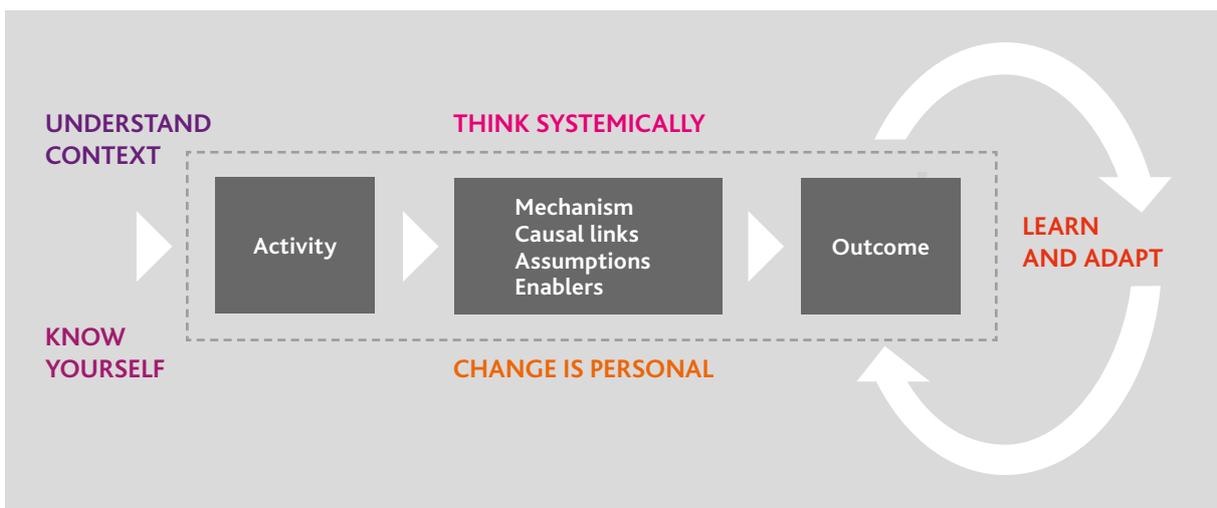


Figure 2: Developing a theory of change for systems change



MINDSET TRUMPS METHOD

Before we turn to explaining the rules of thumb in depth, there is a vital point to make.

Both theory of change and systems change have a lot to offer the social sector. Underpinning them is an enquiring and curious way of looking at the world. Each discipline challenges people to reflect on how change happens and how they can influence it. They explore fundamental questions such as:

- What change do we want to see?
- What is the context in which we work?
- What is our distinctive contribution to change?
- Who do we need to work with or influence to achieve this change?
- To what extent do our existing activities make sense seen against this picture?

Too often these basic questions are either not asked, or are answered with easy platitudes. Answers that assume our organisations are still much needed, and that the way we do things is the right way.

Theory of change and systems change can challenge us to go beyond these easy answers, to confront our preconceptions, acknowledge our limitations, and ask how we can do better. These conversations will enter areas of uncomfortable debate, potentially resulting in conflict and difficult decisions. But authentic conversations can have a transformative effect.

The vital point is this: a process of reflection will work without any formal label or process attached to it. The rules of thumb we propose will make theory of change work better, but they are also mental shortcuts that apply to any process of reflection. More important than any particular methodology is the mindset with which you approach it. It doesn't ultimately matter very much whether it's called theory of change, systems change or something else, as long as there is curiosity about how change can best be pursued.

PLANNING FOR SYSTEMS CHANGE: FIVE RULES OF THUMB

1 UNDERSTAND CONTEXT

NEGLECT CONTEXT

'Nothing exists, and therefore can be understood, in isolation from its context, for it is context that gives meaning to what we think and do.'

PROFESSOR PAUL BATE⁷

Context matters. Social action is often a response to need within a community, whether a geographical place or a community of interest such as people experiencing the same medical condition. Communities do not exist in isolation, they are embedded in a policy environment, in markets, and in networks of institutions. They reflect wider cultural norms, and respond to changes in demography and technology. It is impossible to describe this context in its totality, and spending too long examining it risks paralysis. But ignoring it and what it demands of us is equally foolish.

Context all too often gets ignored in the social sector. New funding programmes are created without building on what existing funders have learned; services are created without reference to the evidence on effectiveness; and campaigning tactics are pursued unchangingly even when the policy environment shifts. All these examples of decision-making isolated from an understanding of context are wasteful of the limited time, money and energy that exists.

'The organizational imperative to do stuff, raise money, demonstrate impact, or just be active means that people spend far too little time studying and understanding the social, political or economic system before intervening.'

DUNCAN GREEN⁸

UNDERSTAND CONTEXT

Pitfall: neglect context

Those that neglect context risk developing initiatives that are a poor fit for the people they are trying to help. They might falsely assume that a programme translates from one context to another. Or they might miss opportunities to maximise their impact through working with others. The worst-case scenario is that despite the very best of intentions they actually make the problem worse through unintended consequences:

'The unintended and delayed consequences of most quick fixes neutralize or reverse immediate gains over time.'

DAVID PETER STROH⁹

Rule of thumb: understand context

Getting the most from theory of change requires challenge, and a fundamental and necessary challenge is to test ourselves against the contexts we operate in. Understanding context is not just valuable for theory of change: effective social sector organisations are immersed in their context every day. Many engage in regular reviews of the context in which they operate and have a wealth of knowledge to draw upon amongst their staff, volunteers, users and other stakeholders. Theory of change provides an opportunity to step back and consider how these insights into context should influence our work.

The components of context

What are the factors to consider in building a picture of your situation? They might include:

- needs and perceptions of beneficiaries
- government policy
- the behaviour of institutions like the NHS or councils
- the work of other charities
- the evidence-base
- public attitudes
- technological developments
- the funding environment

As well as less tangible but no less significant factors such as:

- cultures (for example the professional cultures of key groups like doctors)
- where the power to direct or to influence resides

Questions to ask

- What is the political, social and environmental landscape we operate in? How is it changing?
- What issue are we addressing?
What is known about the causes of this issue?
- What is the change we want to see?
- Who else is working in this space?
- What evidence is there about what works in tackling the issue?

Good practice

Leverage the knowledge of staff

Staff and volunteers often have a good understanding of your cause. At the simplest level you can draw out their implicit knowledge by asking a group of them to consider context questions like those listed above. This does not have to be a one-off exercise. The habit of keeping on top of what is going on in the landscape in which you work provides a background level of knowledge that can be drawn out when the moment arrives—a responsibility that can be built into a job description.

Involve stakeholders

Another simple approach is to involve external stakeholders in the process. Service users, funders, commissioners, and peer organisations can all contribute a valuable perspective on your environment and how you fit in. Involvement can be as simple as a couple of informal conversations, or it can be helpful to bring stakeholders into the room for workshops or discussions.

Use tools to map context

There are occasions where more in-depth work is called for—when starting a new organisation, undertaking a major strategic review, or when considering a merger, for example. Tools such as **context mapping** and **systems mapping** can be used to build a more detailed picture of the landscape to complement a theory of change process.^{10,11}

Keep it in proportion

When it comes to theory of change, we need to strike a balance between ignoring the outside world and spending too long feeling preoccupied or paralysed by it. Theory of change can't accommodate all aspects of context, so at some point it is necessary to draw a line around what is most relevant to our work and leave the rest behind. As Ray Pawson points out, mapping complex contexts *'will leave the group feeling queasy... Having looked, it is necessary to leap.'*¹²

Making a start: simple actions for understanding context

- Talk to a couple of stakeholders about their perceptions of what you do and how you could improve, for example a service user or a well-informed funder or commissioner.
- At your next staff meeting, brainstorm what has changed over the past three years and how you could respond.
- Spend an hour online researching the issue you're aiming to tackle. If you're already well on top of it then have a look at international comparisons or related fields.

2 KNOW YOURSELF

CHANGE OTHERS ONLY

KNOW YOURSELF

'For change to be effective and lasting, those who lead change must first change themselves.'

BARBARA TRAUTLEIN PHD¹³

An understanding of context is necessary but not sufficient to build a picture of the situation, we also need to turn the mirror on ourselves. This means exploring how we function, what resources and assets we hold, and how we can best contribute to change.

Self-knowledge is not always comfortable. When people describe a problem they often point away from themselves. But we need to acknowledge that our own behaviour may be part of the problem and that change may be required of us and our organisations.

Pitfall: change others only

If a theory of change is all about how to change others while demanding nothing of ourselves, it is unlikely to work. At its worst, theory of change can lead to organisations viewing themselves as an external actor, separate from the system. We may expect change to be reserved exclusively for others whilst we get to carry on as before. This is rarely realistic.

Even when theory of change reflects on our organisation—usually in the form of a discussion of internal enablers to change—the process may take for granted that there is a shared view. This can lead to unacknowledged disagreements that will undermine commitment to any new direction.

We can also be guilty of a failure of imagination when thinking about the assets that we have to help us achieve change. For example; many funders could wield enormous influence, given their knowledge and the power money bestows, but choose to remain silent.

Rule of thumb: know yourself

If our aspiration is to change systems, then as agents of change we cannot be entirely separate from the process. We need to ask what change demands of us too. Theory of change is an opportunity to reflect on ourselves and to question assumptions about the assets we bring. The process can challenge us to change ourselves in order to achieve the change we want to see in the world.

Questions to ask

- What is our mission? Is it still relevant?
- What motivates us?
- What assets do we have and how can we best use them?
- What is the most effective role we can play? What roles should we avoid playing?
- What are our limitations and weaknesses?
- What are our explicit and implicit values and beliefs?

Good practice

Allow space for disagreement

Developing a theory of change is an opportunity for different people in an organisation to voice their views on its identity and purpose. Not everyone will agree, and exploring the perspectives that exist and the conflict between them can be uncomfortable. But it is also valuable—done with sensitivity it helps to create a sense of common purpose (see page 27 on the zone of uncomfortable debate).

Understand your assets

Use the theory of change process as an excuse to test your organisation on the assets it possesses, and whether the most is being made of them. The following list can act as a basic checklist. Less tangible assets like knowledge, influence, convening power, and brand, are often neglected.

Assets come in many forms. They might include:

- money
- people
- relationships and networks
- particular methods or approaches
- knowledge and experience
- goodwill within a community
- communication channels
- a trusted brand
- the ability to influence
- commitment to a cause
- energy

Be honest about your strengths and weaknesses

Fundamental to knowing yourself is honesty about what your organisation is really good at, and hence what contribution it is equipped to make. Asking these kind of questions is always a delicate matter. That's because we risk having to acknowledge that what we have been doing is not what we should be doing, or worse that we cannot make a meaningful contribution. As far as possible it helps to support this process with evidence about impact: what are the grounds for believing your activities are succeeding in achieving the outcomes you are aiming for? Is there evidence they may be failing?

Making a start: simple actions for knowing yourself

- Pull together the evidence you have about what you do that is good, and what needs to be improved. If there is no hard evidence about performance then canvass the opinions of staff and volunteers.
- Work through the list of assets above and think about whether you are making the best use of what you have.

Know yourself: case study

Kidasha is a charity working to improve the resilience, safety and well-being of vulnerable children and young people (VCYP) in Nepal. To further its mission, it increasingly finds itself working to influence wider social systems that affect children's lives—from public attitudes to government policies and programmes.

'Please don't talk to me about little handwashing projects distributing free soap to children and then disappearing. They have no impact. I only want to know about how change can be sustainable. If you want children to follow good hygiene, you have to work hard to change behaviour and ensure sustained access to water and soap.'

RAMESH BASTOLA,
PROGRAMME OFFICER, KIDASHA

The Kidasha team wanted to understand their impact more strategically, and engaged a pro bono consultant to support them to do so. The consultant was able to highlight the value Kidasha added to the system. These were things the team already understood tacitly but hadn't been capturing systematically.

They started by looking at Kidasha's assets in the broadest sense including: local profile and respect, proven excellence in programme implementation, technical ability to conduct surveys and analyse context, strong relationships with a wide range of partners, and an understanding of the dynamics of working with government.

Based on analysis of its assets and practices, Kidasha identified three main roles it takes to influence wider systems change:

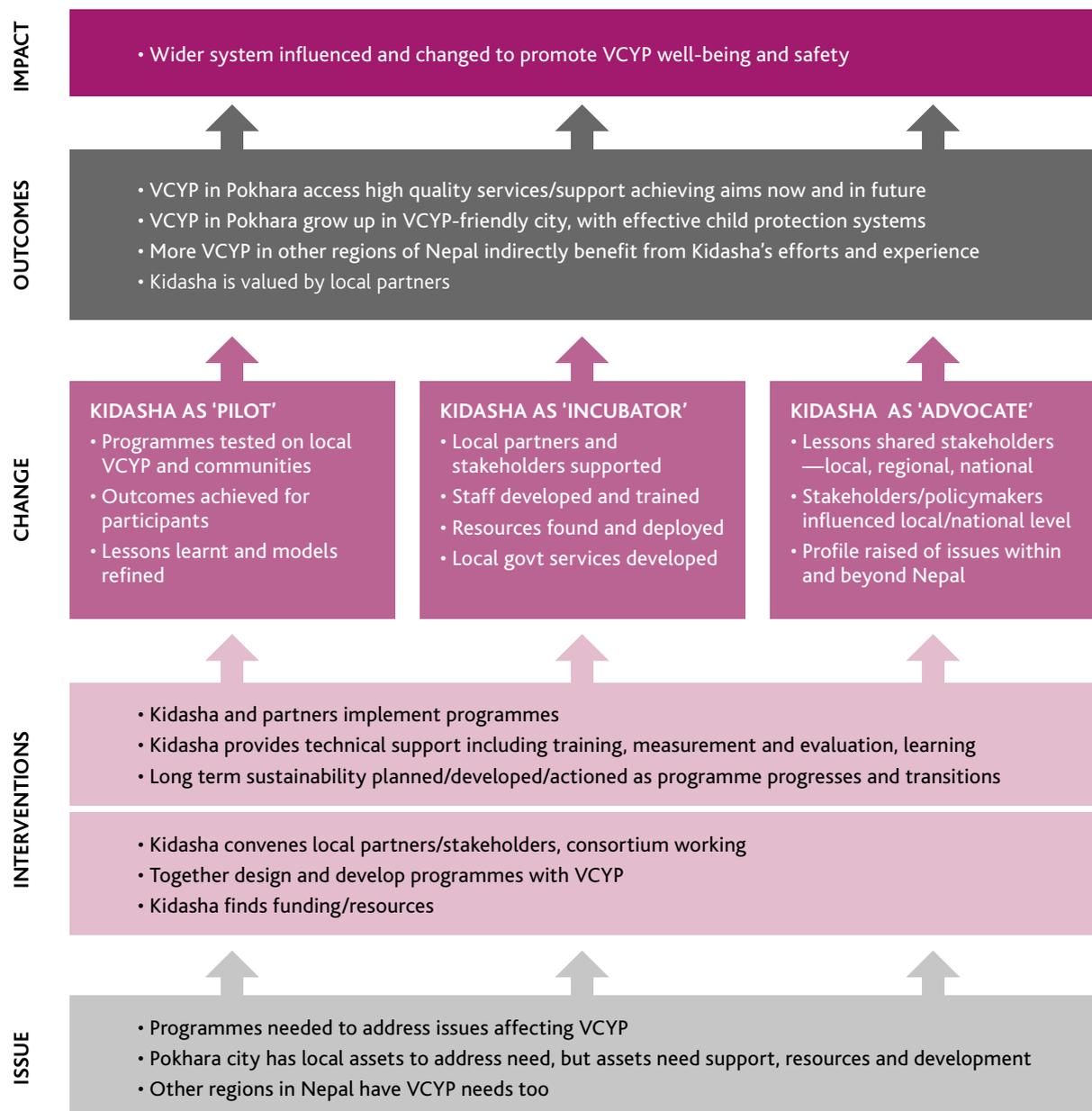
- **PILOT** programmes to test models and practices.
- **INCUBATE** initiatives to a sustainable future.
- **ADVOCATE** for policy change and wider adoption of good practice.

Kidasha developed a 'pathway to sustainable change' (Figure 3 on page 16) around these three strands, showing how its systems change work could lead to better outcomes for VCYP.

Kidasha also created a theory of change for its direct work with VCYP. The individual programmes include outcomes such as VCYP being confident in demanding adolescent-friendly services and changing their own behaviour to stay healthy and safe. The two theories of change are mutually reinforcing: demand for adolescent-friendly services from VCYP complements work to promote adolescent-friendly programmes and policies at the system level.

This enabled Kidasha to create a framework to capture evidence of its impact on individual VCYP, families and communities, partners, government services, policymakers, and other stakeholders such as local businesses. Tracking impact at multiple levels and linking them to its work will allow Kidasha to continually learn and adapt as the systems around VCYP in Nepal change.

Figure 3: Kidasha's pathway to sustainable change



3 THINK SYSTEMICALLY

THINK IN LINEAR TERMS

THINK SYSTEMICALLY

'Innovations attempting to scale and create systemic change often hit barriers to change, sending them catapulting back to square one.'

CONWAY, MASTERS, AND THOROLD¹⁴

Social sector organisations are often frustrated by how hard it is to achieve the change they seek. It can feel like powerful forces are conspiring to keep things the way they are, even when there is consensus on the need for change. As Peter Senge puts it: *'the harder you push, the harder the system pushes back'*.¹⁵ Systems exist for a reason and are often supported by power structures, cultures, and systems of privilege that are not immediately obvious.

Systems thinking can help us to understand these wider forces at work. Yet it often seems like an inaccessible and impenetrable practice. The way the topic is discussed can feel intimidating, with its own language and a tendency towards the abstract. It is helpful to recognise that behind the jargon it boils down to having an inquiring mindset.

'There's something within the human mind that is attracted to straight lines and not curves, to whole numbers and not fractions, to uniformity and not diversity, and to certainties and not mystery... Another part of us recognizes instinctively that nature designs in fractals, with intriguing detail on every scale from the microscopic to the macroscopic.'

DONELLA MEADOWS¹⁶

Pitfall: think in linear terms

Linear theories of change may be suited to mapping relatively straightforward programmes—those operating within a defined context where there are clear relationships between cause and effect. But they break down in complex contexts where multiple factors interact with each other over time, or where we are seeking change at a whole-population or society level.

Thinking in linear terms can mean that we miss opportunities to maximise impact by influencing wider systems. If our mission is to help the homeless then providing a soup kitchen makes a vital contribution, but by itself it doesn't do much to change the system that creates the problem in the first place. This is not to imply that there is necessarily a trade-off between meeting immediate needs, and addressing underlying causes; frontline services can provide evidence and case studies that support effective advocacy for change. The danger is becoming so preoccupied with meeting needs that we ignore causes, and inadvertently provide cover for a failing system.

Linear theories of change can also give us a false sense that we can control the system in a pre-planned way. We've seen theories of change that take it as a given an organisation will keep providing the same service it always has, and build everything else from there. These are theories about how a service can thrive, not about how a social issue is best addressed.

Another common assumption that can go unchallenged is that an organisation can achieve something while acting alone. If systems change teaches us anything it is that the complex causes of difficult social problems are almost impossible for any one actor to address by themselves. Working with others comes with the territory.

Rule of thumb: think systemically

Of course, it is legitimate and necessary to deal with the effects of a social problem, like the soup kitchen in our previous example—and it's often all the scope small organisations are able to cover. But if we are taking a systems change perspective we must go further and consider the conditions that lead to the problem arising in the first place. Sometimes talked about as 'going upstream' from the need, the task here is to inquire into the structures in which individuals are embedded, and by doing so to identify 'root causes'. For example, in the fight against modern slavery, a systems change approach might address public attitudes or poor enforcement of the law, in contrast to a focus on rescuing victims.¹⁷

Questions to ask

- What forces are supportive of change and what forces are obstacles to change?
- What institutions, incentives, and interests shape behaviour and how can they be influenced?
- What assets do we have that we can bring to bear?
- Who can we work with to increase the pressure to change?

Good practice

Take nothing for granted

Assumptions have been touched on already, and when thinking about how to influence systems nothing should be taken for granted. Go beyond symptoms of problems to interrogate their root causes. Explore how different parts of the system interact—such as where public support for a policy reinforces politicians' commitment to it—and look for feedback loops—like where cuts to one area increase costs in another, prompting further cuts and so on. Think about leverage points—things you could influence that would have ripple effects on the whole system. For example, helping marginalised groups to tell their own stories could change the public narrative around them and ultimately lead to policy change that transforms their lives.

Draw a sensible boundary

Boundaries are a fundamental systems concept. How a boundary is drawn around a social problem is a crucial judgement and defines the issue being addressed. Drawn too broadly you will find too much that is beyond your ability to influence or add value. Drawn too narrowly, much of what causes a problem is left out: you risk failing to take into account forces that may thwart your efforts.

Striking a sensible balance is key. The 'line of accountability' is the equivalent theory of change concept. For example, if you are interested in better treatment for young offenders the whole of the criminal justice system is potentially in scope for your theory of change. But a more manageable line of accountability might encompass a leverage point like sentencing policy and practice. In drawing your line of accountability, have an honest conversation about your assets and distinctive contribution (as above in 'Know yourself').

Understand who else you need to work with

Systems change demands that we are outward looking and make a common cause with others who have similar objectives. This often means forging relationships across traditional sector boundaries or bringing together 'unusual suspects' who would not normally work together. Understanding your context, as discussed earlier, can help you to identify those relationships that are pivotal to mission.

Consider a collaborative theory of change

Theory of change does not have to be developed around a single organisation. It works well to develop a collective theory of change for a group of organisations, or even at the level of a field. For example, a local theory of change on tackling domestic abuse could involve refuge staff, the police, and social workers. Doing so will break down the operational and personal concerns that hold back individual organisations, while moving a sector as whole closer to the issue it seeks to solve. This better reflects the realities of systems change and is a good basis for collective action.

Making a start: simple actions for thinking systemically

- Spend half an hour writing down a simple forcefield analysis. That's a table with two columns, the first identifying things that are helpful to achieving your mission, and the second things that are pushing against it.
- At a staff/senior-management meeting, ask the question: 'have we got the right balance between meeting immediate needs and preventing them from arising in the first place?'
- Discuss at a staff meeting/senior-management meeting what would have to happen for your mission to be achieved, which of those conditions you currently have influence over, and which you could increase your influence over.

4 LEARN AND ADAPT

SEEK SAFETY IN CERTAINTY

LEARN AND ADAPT

'Taking a theory of change approach demands a radical shift towards more and better learning.'

CRAIG VALTERS¹⁹

Because social systems are complex and interventions can be unpredictable, there is no serious alternative but to take a flexible approach, learning and adapting as you go. Much of the learning process takes place at the level of the individual, and if the culture of an organisation doesn't support learning, then it is difficult to make it happen. This is why creating organisations that learn effectively is primarily a cultural exercise.

There are simple and practical things that support learning, and relatively small changes will start pushing an organisation's culture in the right direction. The basic aspiration can be kept simple: take learning seriously; create a supportive environment; share what we know; and avoid what undermines learning such as blame, over-emphasis on taking credit, and command-and-control management (see [Table 2](#), page 23).

'Our theory of change is based on changing through doing—we are not afraid to fail because that develops the best learning.'

LYNN MUMFORD, MAYDAY TRUST

Pitfall: seek safety in certainty

Without proper reflection built into the process, theory of change can easily become a 'safety tool'—reinforcing our assumptions rather than challenging them. A poor theory of change process can gloss over areas of uncertainty that could be uncomfortable, rather than making a genuine attempt to identify assumptions that we need to test. For example, a theory of change may show activities automatically leading to desired outcomes when in reality there is a low degree of confidence that this is the case. The danger is that we treat our theory of change as gospel rather than as our best collective hypothesis of how change happens.

Once we have created a theory of change, there is a strong temptation to leave it static. There are a number of reasons for this. If a theory of change paints a falsely certain view of the world, then there is no need to update it to reflect emerging learning. If the effort of developing it was too much, or if the reason for doing it in the first place was because a funder demanded it, then it's easy to breathe a sigh of relief and lock it away in a drawer. If a theory of change describes core beliefs that are too precious to be easily changed—and to which people return for comfort even when the world appears to be calling them into question—then it is easy for it to remain unquestioned and unexamined. This is against the original spirit in which theory of change was developed, but is natural. The important thing is to guard against it.

Rule of thumb: learn and adapt

Theory of change was originally designed to cope with situations of complexity and uncertainty, and it is most powerful as a learning framework. The word 'theory' in its name is no coincidence. Theories are tested and updated as new knowledge emerges. The theory of change process is an opportunity to identify the assumptions that can remain implicit and untested.

Good practice

Identify areas of uncertainty

The process of challenging yourself on where you are confident in your understanding and where you are less certain and need to build knowledge is one of the most valuable parts of the exercise. This is where the link to impact measurement comes in. Theory of change is a good basis for understanding impact because it identifies the meaningful things you want to learn about, with measurement providing the evidence. For some organisations, especially those with the resources to support research and high-quality evidence-gathering, plugging these gaps in knowledge can become an end in itself. For example, NSPCC increasingly see their contribution as building knowledge about children's services.

Keep it fresh

If theory of change is a learning framework it follows that it must evolve. We wouldn't go as far as Oxfam's Duncan Green, who suggests theory of change diagrams self-destruct after ten seconds²⁰, but the usefulness of learning is limited if nothing is changed as a result. So, see theory of change as a permanent work in progress, and update it when you learn something new.

Create a culture of learning

Theory of change in isolation will not transform an organisation into a learning environment, although it can offer a good starting point by providing space for reflection. Sustaining the learning from theory of change requires a culture that values learning and decision-makers that are prepared to adapt in response to what the evidence is telling them.

'Theory of change is the core to adaptive management... [but] unless you have a learning environment in the organisation and a way to feed that back to decision making, it will not be used in this way.'

DENA LOMOFSKY²¹

Useful models of learning and adapting

Table 2: How leadership behaviours undermine or support learning

HOW LEADERS UNDERMINE LEARNING	HOW LEADERS SUPPORT LEARNING
<ul style="list-style-type: none"> • centralising power or responsibility • allowing a blame culture to develop • obsessing over who gets the credit • micro-managing • shutting down the space for learning or treating it as an illegitimate use of time • failing to provide clarity of purpose • over-bureaucratising decision-making • immediately quashing ideas • dominating public discussions • showing a lack of curiosity • refusing to discuss difficult subjects • always taking personal responsibility for fixing things • rewarding these behaviours in others 	<ul style="list-style-type: none"> • leading by example • creating an overarching sense of purpose, but allowing flexibility and discretion about how staff work towards it • distributing power and delegating responsibilities • encouraging individuals to question and challenge accepted orthodoxies and assumptions • being comfortable with uncertainty • being willing to experiment, and consequently accepting the possibility of failure • accepting the need to change things that aren't working • asking challenging questions • listening • rewarding these behaviours in others

Elements of a learning culture

- Individuals and teams value learning and find the time and space to reflect.
- The organisation is open to the external world and learning from what others are doing, whether they are peers, experts, academics, or service users.
- There is a commitment to sharing knowledge both internally and externally.
- Staff are empowered to respond to what they encounter by making judgements and taking the initiative.
- The generation of ideas, experimentation and problem-solving are encouraged at all levels of the organisation.
- Failure results in an attempt to learn the lessons, not apportion blame.
- The organisation adapts in response to what is learnt, both little and often, and through major re-alignments where called for.

Making a start: simple actions for learning and adapting

- Clearly state to staff and volunteers that senior management are committed to learning and adapting.
- Make space for reflection, for example get a group of people together to review your theory of change annually—perhaps a cross-cutting group of staff, volunteers and beneficiaries.
- Set up a blog or Slack channel²² so that people in your organisation can share what they're learning.

Questions to ask

- What can we learn from what has worked well or not worked well in the past?
- What are the main questions we want to answer about our cause? How do we go about pursuing our mission?
- What's the state of knowledge in our field? What are its implications? How can we contribute to it?
- When things go wrong how well do we learn the lessons?
- How frequently does the organisation change something as a consequence of learning?

RECOGNISE CHANGE IS PERSONAL

CHANGE IS TECHNICAL

CHANGE IS PERSONAL

'People and partnerships are the beating heart of system change.'

MARTIN CAWLEY²³

Systems change can feel like a technical and intellectual activity, abstracted from the frontline. It should not be. Successful systems change is a deeply personal and emotive business. Why is this? Because people drive change. It is their relationships, values, motivations, and behaviours that shape whether and how change will occur.

In organisational psychology literature, it is acknowledged that change involves loss. Even minor changes, or ones we desire, involve losing something, if only the security of a steady state. And when it comes to social change we are dealing with issues that are intensely personal, and about which many of us care deeply. This is why change is personal.

Many insights flow from this proposition: that relationships are central; that we must acknowledge the emotional dimension to our work; and that not everyone will feel the same way about a system.

This latter point is worth dwelling on for a moment. Social systems are defined by different perspectives; meaning depends on where you sit in the system. An example is the different views on youth offending likely to be taken by the police and youth workers. This extends to how different players in a system view one another. For example, commissioners and charities often have similar objectives, but their perceptions of one another can be a barrier to constructive collaboration. At their worst, commissioners view charities as naive and entitled, while to charities commissioners are imposers of destructive bureaucracy. In order to create the possibility of change some mutual understanding is necessary.

Pitfall: change is technical

There is a temptation to see change as a technical process. For example, a theory of change may propose that providing information to people with a long-term health condition will lead to them understanding their symptoms and better managing their condition. This is only telling half the story: in reality the way that people absorb and act on information depends on how they respond emotionally to their condition, their relationship with the person providing the information, and how motivated they are to make changes in their life. Whilst many theories of change include these human factors, we have also seen examples where they are glossed over in favour of neat causal links and flawed assumptions.

The process of developing theory of change can also fall into the trap of obscuring the personalities, values and emotions of those developing it. When theory of change brings to the surface fundamental disagreements or provokes emotional responses, there is a natural urge to flee to safer territory. But this is usually a mistake. None of us are neutral observers of change. We all come with our own default world views, identities, and preconceptions. People developing a theory of change are often directly affected by it—the decisions made as part of the process may influence their jobs, their relationships with others, or their professional and personal identities.

Rule of thumb: change is personal

Social change is about people and relationships. The theories of change we develop—and the process we use to develop them—need to reflect this reality.

'Without facilitation to reflect on and engage in dialogue about what is being learned from practice, a theory of change remains just a piece of paper.'

HALLIE PRESKILL²⁴

Good practice

Acknowledge the personal aspects of change

Many theories of change focus on individuals or groups of people. It is vital to acknowledge that we are social and emotional creatures who do not always act rationally. Simple exercises such as considering what people are 'thinking, feeling, saying, doing' at each stage of a theory of change can help to focus on this. But it is also worth considering that what we observe people doing may not tell the full story. For example, those who appear to be resisting change may not be doing this deliberately or even consciously: much of what we carry emotionally is on an unconscious or at least unspoken level.

Visit the 'zone of uncomfortable debate'

Theory of change is about building shared understanding but that doesn't mean suppressing disagreement. Often the greatest insights come from the airing of different perspectives. These may relate to people's diverse experiences or they may bring out more fundamental differences in values or beliefs. Discussions in this territory go to the heart of what matters to people, which lends them real power both to motivate and to cause conflict. Sticking with the 'zone of uncomfortable debate' (see [Figure 5](#) overleaf) for longer than feels natural can build mutual understanding, resolve suppressed conflict, and provide a sense of shared purpose.

Include lived experience

The theory of change process is an opportunity to build a rich understanding of the people that you are working with or trying to influence. People with lived experience are experts in their own situation, and an understanding of their wishes, motivations and experiences provides a strong foundation for a theory of change. There are many ways to include lived experience in your theory of change. At the simplest level, have some informal discussions with people about their experience of the system. Techniques like user journey mapping²⁵ can help you to explore what change looks like for an individual. Where possible, people with lived experience should play a central role in development of the theory of change.

When involving people with lived experience be mindful of the power dynamics and knowledge imbalances that could be a barrier to their participation. For example, Macmillan has a buddying system which pairs cancer survivors with professionals when they join conversations about redesigning cancer pathways. Cancer survivors report that this helps them to understand jargon, contribute confidently to discussions, and feel that they are treated as equal partners.

Questions to ask

- Who will be affected by the change we want? How will they feel about it?
- Do we understand the perspectives of key players?
- How are people within the system motivated, what are their values and beliefs?
- What relationships do we need to build?

Models for addressing change

The zone of uncomfortable debate²⁶

All organisations, and indeed individuals, have territory they are comfortable on, and issues that are more difficult. Real and sustained change at the individual or organisational level is unlikely if the 'zone of uncomfortable debate' (Figure 5) is avoided, because it is often there that the most deeply held beliefs, assumptions, and conflicts reside. For exactly those reasons though, the approach has to be handled with care.

The five stages of grief

In the 1960's Elisabeth Kübler-Ross wrote the seminal book, *On death and dying*. In it she described her five stages of grief model²⁷ (Figure 6 overleaf). The model describes the emotions people tend to experience and the order in which they experience them when confronted with major trauma, such as the loss of a loved one, or receiving the news of their own terminal illness.

It is no coincidence that the five stages of grief apply to other kinds of change. Grief is about loss, and change almost always involves some element of loss, even if it is also desired. Changes to systems, and to the organisations that compose them, inevitably means that people will lose something. Even if it is just the security of a familiar pattern, however dysfunctional that pattern may be. This is why systems change is inevitably personal and likely to involve strong emotions. If we ignore the personal we ignore one of its fundamental dynamics.

An implication of the five stages of grief is that resistance to change is very likely to occur, and may bring conflict with it. This may be uncomfortable and hard to manage, but a failure to face these difficulties or attempts to suppress them can undermine change. It also means that if there is no resistance or conflict that may be a sign that change is only operating at a shallow level. Each stage has a corresponding leadership style that can help move people through change (see Table 3 overleaf).

Figure 5: The zone of uncomfortable debate

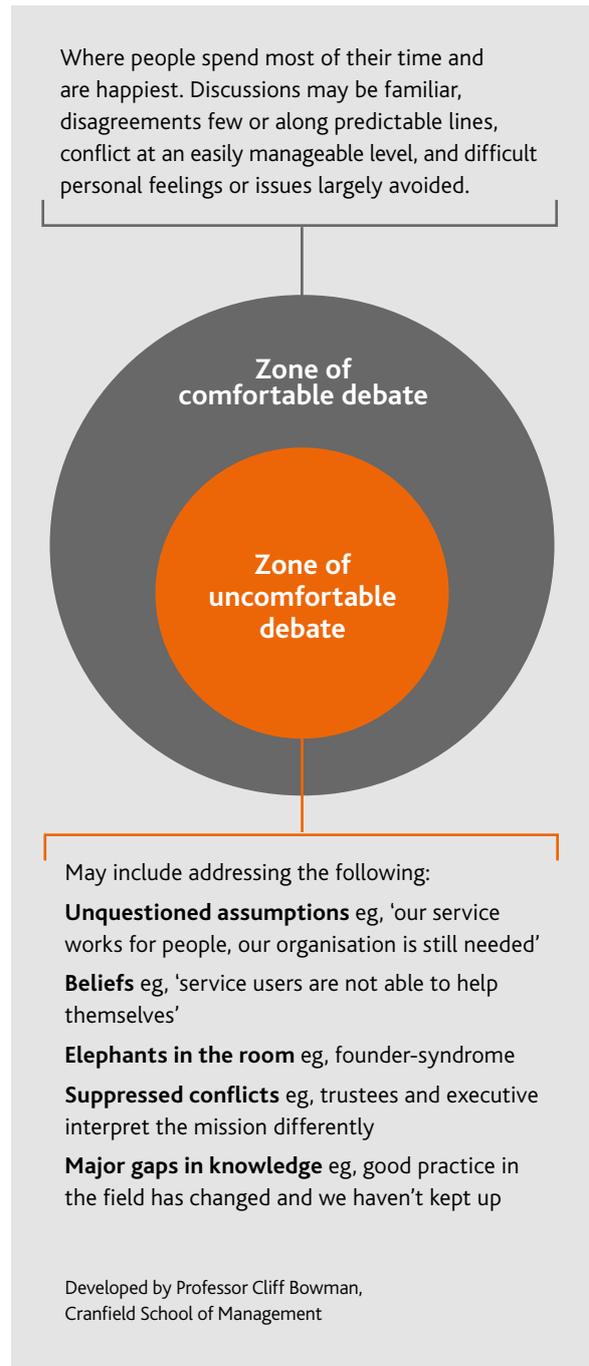


Figure 6: A version of the Kübler-Ross change curve

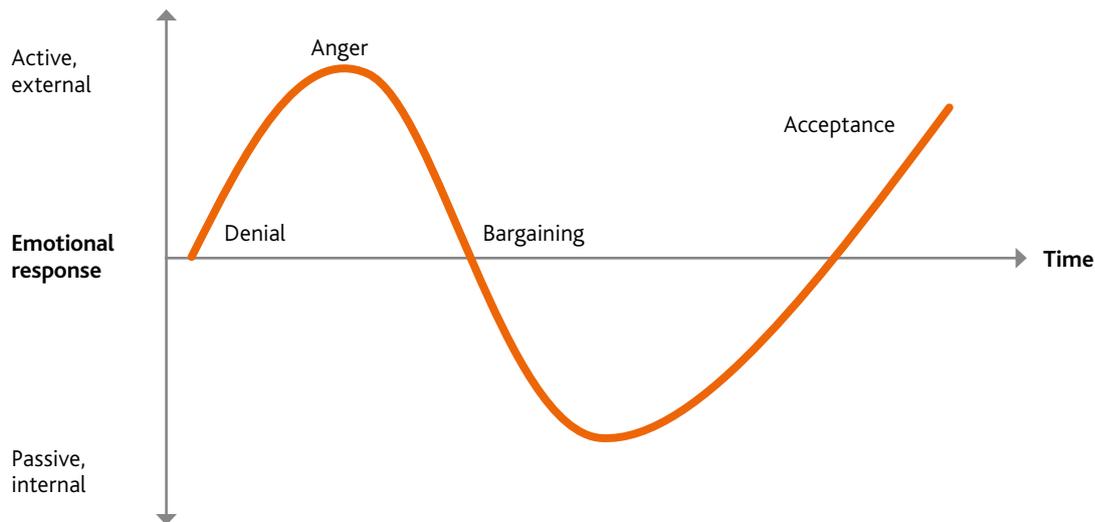


Table 3: The responses to change and their corresponding appropriate leadership styles²⁸

Response to change	Required leadership style
1 Denial	Directive
2 Anger	Listening
3 Bargaining	Communicative
4 Depression	Supportive
5 Acceptance	Involving

Making a start: simple actions for acknowledging change is personal

- Use a senior management team meeting to discuss the issues that are in the zone of uncomfortable debate for your organisation.
- Ask people within your organisation to discuss how they feel about any changes you want to make.

Five rules of thumb case study

Hope and Homes for Children

The scenario

Hope and Homes for Children are a mission-driven organisation, working at both the national and global level to be the catalyst for the global eradication of institutional care for children.

The process

Hope and Homes for Children developed national theories of change in each of its countries of operation, as well as global theory of change to unite them as an organisation.

With every nation operating within a unique context, the rationale was to develop a better understanding of national practice. That way, the organisation could learn 'what works' in different contexts, identify commonalities and differences, and leverage shared experiences to improve its practice and impact at a national and global level.

After creating their theories of change, representatives from each of the national teams convened globally to share learning and feed into the global theory of change.

Each national team then convened again to draw on elements of best practice from the global meeting.

This process is ongoing as the context evolves.

UNDERSTAND CONTEXT

In each case, the theory of change process began with defining 'What is the change we want to achieve?' and 'What is the landscape in which we operate?'

Starting by looking at the big picture helped to develop a shared understanding of the long-term mission of Hope and Homes for Children. It framed the discussion so that teams could 'navigate the compass towards the defined long-term goal'. By taking individual staff members out of the remit of their everyday work reminded them of the organisational ambition and ever-changing environment. As context is continually changing, regularly reflecting on this is key.

KNOW YOURSELF

As part of this process, the national and global teams reflected on their own assets, capabilities and practices. They noted key organisational strengths such as their driven team and open learning culture. They made strategic decisions to protect and nurture these positive attributes going forward.

Through learning and adapting, they also increased their understanding of areas where they were not best placed to drive impact, or were not delivering activities on mission. This learning resulted in the organisation terminating programmes and increasing advocacy work where the conditions for change were not present and programmes were not demonstrating impact. This decision has allowed limited resources to be channelled in the most impactful way.

THINK SYSTEMICALLY

Hope and Homes for Children is aware that it cannot achieve this mission alone. The organisation takes a collaborative approach, working alongside governments and civil society organisations at national and global level to advocate for the elimination of institutional care.

To do this effectively, it mapped out the key external organisations and stakeholders within the system, considering underlying tacit aspects such as power structures, existing relationships and incentives.

LEARN AND ADAPT

Hope and Homes for Children grouped the nations of operation by stage of progress. This enabled it to assess which nations could plausibly learn from each other through peer to peer support.

Open reflection is encouraged across and within teams, including sharing learning on past decisions and practice that have not worked.

Discussing failings openly has allowed other key stakeholders in the system to learn from the experience of Hope and Homes for Children.

The charity regularly reviews and amends its theories of change based on learning, showing the potential for it to be used as a learning tool for ambitious organisations looking to drive systemic change.

CHANGE IS PERSONAL

Hope and Homes for Children found that reflecting on the intermediate outcomes of their theory of change could encourage and drive internal morale when the overall mission seemed difficult to realise.

With systems change it is often 'a marathon, not a sprint'. So the organisation ensured it celebrated smaller victories in order to motivate teams to learn and adapt with positivity and strive for bigger victories.

It worked hard to build long-term, trusting relationships both internally and externally, understanding the motivations and perspectives of all stakeholders around the change they wished to see.

CONCLUSIONS

Systems change is helping a range of charities, funders and practitioners to deal with the root causes of social problems. The approach requires us not only to understand why difficult social problems persist but also to challenge our own role tackling them—a formidable task. Theory of change is not a silver bullet for doing this. But applied in the right way it becomes a process of inquiry that asks the searching questions that systems change demands.

The five rules of thumb we have proposed help to ensure that theory of change provides the level of challenge that is needed. They make the most of the opportunity for reflection that developing theory of change presents. This can be an uncomfortable process, but often that discomfort is helpful—if it's too easy that may mean it's too shallow. As we argued at the beginning of this report, the rules of thumb don't need to be confined to a theory of change process; they can help guide any process of reflection whether formal or informal. What is most important is possessing a curious mindset that is constantly searching for ways to do better in pursuit of social change.

If you found this report useful, or have any comments or queries, we'd love to hear from you. Get in touch via Twitter @NPCthinks or drop us an email at info@thinkNPC.org



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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.



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