

How Might Complexity Thinking Help Us to Better Lead an International Confederation?

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[Editor's note: Keith Johnston prepared this as an addendum to his final report to the Board as Chair of Oxfam International, a confederation of 17 national aid and development agencies working in 94 countries to address issues of poverty and related injustice. Keith was stepping down as Chair of after almost six years in the role. These are his personal thoughts on how complexity thinking might be applied to the work of the confederation. They are not the views of Oxfam International.]

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Part II: The Joy of Confederation

Confederation sceptic?

Over the years that I have been Chair of the Oxfam International Board, a number of board members have wondered out loud to me whether I might be a confederation sceptic. No one has gone so far as to call me a confederation denier, at least to my face, but some have felt that I was less than fully engaged with what we could call the joy of confederation.

Well I have been re-thinking, and in this paper I want to lean into one of the aspects of the confederation I find most challenging, it's diversity and the layers of transactions that this adds to our work, and consider how this seeming 'inefficiency' might be one of our strongest feature in dealing with the complexity of development issues and managing the learning network we need to become. But to enjoy these benefits would also require us to change in some ways. I want take you on a journey to re-explore the Joy of Confederation.

I have often felt the constraints of confederation as we sought to be a more integrated and coherent international agency. A number of factors have made me more of an Oxfam centrist. Centrism is what I have grown up with. New Zealand is a small and simple society, with few levels of government, and most powers residing in the national government. When, in 1991, we founded what became Oxfam New Zealand and sought to join the Oxfamily, we imagined we were becoming a part of a much more joined-up and centralised entity than actually existed at the time. Now, as OI Chair, I have inevitably taken the view from the centre. A key thing I have been seeking to achieve is to have more of a whole-of-Oxfam view be more widely evident across the confederation, rather than focusing on affiliate-by-affiliate perspectives. We have seen real progress toward the One Oxfam approach.

While I come from a centrist perspective I also understand that this is a polarity. It is not a question of either a centralised organisation or a confederacy. It is a matter of both/and. The question is one of emphasis and I have been seeing some benefits of a more distributed network that we could put more emphasis on.

Rights and powers or another frame?

Many of us are very familiar with federated (and confederated) systems because we live and work in those contexts. This often involves ongoing tussles between the rights of states, provinces, or Lander and the powers of the national government. This could be the more-or-less united states of anywhere: America, Mexico, Canada, Germany, Italy, Spain, India, or Australia, or it might involve sovereignty issues between European capitals and Brussels. We live with forms of federalism and understand them as the distribution, negotiation, and sharing of power. The critical questions often centre on who has the right to decide what?

Understandably, we carry this rights-and-powers frame into our international confederation. It is a key aspect of how we work together and organise ourselves. But what if we added another frame in thinking about our confederation? What if we also thought about the confederation as a network for learning? Our overall goal is to increase our impact in combating poverty and injustice. How might our confederation be shaped and function if we were trying to enhance opportunities for diversity of thought, experimentation, and learning, of all of these as steps toward increasing our impact?

Organisations and complexity

These are the questions I want to address here. It will take me a little time to first work through some of the organisational theory and complexity issues, and then how leaders and organisations might respond. I ask for your patience but I will return to the implications for the Oxfam confederation.

There is a growing body of thinking that focuses on how leaders and organisations might deal more effectively with uncertainty and complexity. Theorists such as David Snowden (and many others, but I will spare you the footnotes) draw distinctions between situations where we can know and predict what might happen as compared with situations where we cannot predict the outcome. The traditional thinking about leadership and organisations assumes:

- that leaders can be in control;
- strategies can be prepared and delivered on with predictable results;
- a chain of logic can be drawn between interventions and outputs and outcomes; and
- leaders and organisations can be held to account for what works and what does not work.

Of course, for each of these expectations leaders and organisations sometimes can and sometimes cannot deliver in this way. In the development sector we are experiencing a growing push for clearer theories of change, better research on

what really works, and greater accountability for delivering specific outcomes. There is an intense debate going on about evidence-based approaches and greater accountability for delivering agreed results.

Cynefin

Some of the most pressing questions we face as leaders are about how much the world can be predicted from the past. What are the odds that knowing what has happened will enable us to make it happen again or avoid it happening again? I think David Snowden's great contribution in this area has been to give leaders a clear language to discuss the kinds of issues they face and to think about using different tools to deal with different kinds of problems. This is as opposed to doing what we are all inclined to do and responding to most issues with whatever tool we are most comfortable or proficient with – picking up our leadership hammers and calling every problem a nail. Snowden calls his model the Cynefin framework (pronounced – Ka-ne'vin) because he is Welsh. The kinds of situations covered in the Cynefin framework arise throughout Oxfam's work.

In the Cynefin framework we all begin in the place of not knowing what to do. Then an issue or problem arises and we try to figure out what kind of issue it might be. If we recognise it as something we have dealt with before we can predict what will happen and just need to get on and do it. Here the relationship between cause and effect is known and repeatable. Snowden describes this as a *simple* issue. We can make improvements with standard operating procedures, process improvements, and best practice guidelines. A whole lot of the procedural work that we do, for example in the management of funding with project partners and back donors, can be considered straightforward in this way and can be made more efficient through a range of business process improvements.

Then there are issues where we cannot predict the relationship between causes and effects but we figure we can work it out if we support the right research or pull in the right expertise. Snowden calls this kind of issue *complicated*. This is where we can get big gains from evidence-based approaches and specific research projects, including randomised control trials. Many of the technical approaches to development and humanitarian responses and improvements in development practice are based on this kind of research – from bed-nets, to specific health care practices, to improved water pumps or planting practices.

Then Snowden and others draw a big distinction between known or ordered world and the unknown or un-ordered world. When we step along the spectrum from issues that are in the *complicated* space to those in the *complex* space we are moving to a place where there are so many interacting variables that we cannot know what the relationship will be between cause and effect until after it has occurred. Ask your advocacy and campaigns manager to predict how the GROW campaign might play out. What aspects will get picked up by the media? How might different stakeholders, politicians, and alliances shift over time? How will this run on social media? They might take a bold stab at it but you, and they, know that it would be informed guesswork. So is a lot of long-term development work. This is where the resistance arises against the widespread application of

evidence-based approaches. There are too many variables involved to be able to draw in advance the causal lines between interventions and results.

We cannot predict the behaviour of the system in these cases but we can probe it and run trials and observe how the system responds. If things go well we can do lots more; if not, we can shut things down. In nature conservation we call this 'adaptive management'. The slang for it is 'suck-it-and-see.' I assume there is an equivalent expression in other languages.

There is a fourth kind of issue that also lies in the un-ordered world. Snowden calls these issues *chaotic*. There is no clarity about the links between causes and effects, even after the event. Oxfam encounters chaos in many natural disasters and in wars. We take action, we try and make sense of what is happening in response to our actions and we try to stabilise the situation or withdraw as quickly as possible.

Implications for Oxfam

I want to focus on the range of situations that span the *complex* and *complicated* spaces and the different ways we need to respond. If you think your problem lies in the complicated space you may want to do a gap analysis and develop a strategy or design and focus the research to identify key leverage points in the system. You will be working carefully to find the 'right' answer. An organisation with a lot of issues in the complicated space wants to be more unified and able to focus resources on research, to back winners as they are identified, and to clearly hold people to account for producing results.

We can do a lot to improve our developmental impact taking a 'complicated' approach to issues. The problem is one that has been focus of much of the work in behavioural economics: as humans we delude ourselves that many more things are controllable and predictable than is actually the case. Lots of drivers push humans to this and, in the development field, we are not immune: managers are rewarded for assuming control and being prepared to be accountable; scientists and other experts assure us that if only enough resources are provided the right answer is just around the corner; and back donors make much of the big money conditional on our being able to assure them of results.

In the 'complex' space we cannot know in advance the answers or the key causes. There is little point in narrowing down on the right answer because each answer will be so dependent on the context. The learning comes not from asking the 'right' questions but from asking a whole range of questions and trying many small-scale experiments and seeing how the system behaves.

We call these experiments "safe-to-fail". It is important to be very explicit that what is being done is exploring the nature of the system, rather than committing to any particular approach or proposing the 'right' answer. The aim is to try many things and see what the system responds to. These trials or experiments need to be small enough that no harm is done but, ideally, at least half of them would not work out. We can learn from all the trials and if around half are 'failing' we can have more confidence that a full range of ideas is being explored.

Diversity is much more use here than being focused. This is where it really helps to be a confederation or a learning network. Here our consortium approach in the single management structure is more use than having one Oxfam in each country or doing all programming through a single Oxfam delivery arm. I realise, by the way, that single providers can experiment and innovate. It is just they sometimes have to work harder against the conformity and alignment that comes from being a unified organisation.

Oxfam's work straddles all the sectors of Snowden's model: simple, complicated, complex, and chaotic. Are we set up as a confederation or network to best enable us to increase our impact across so many complex issues (and to draw in evidence-based learning from the work in the complicated spaces)? I think we have a confederation that is well-suited and well-used to managing rights and powers but is less well-organised to enhancing learning and increasing impact. My hunch is that we are not taking advantage of one of our best assets.

The best learning asset we might have is the diversity of work of country teams and country directors trying things out in complex settings and the diversity of approaches involved in being a "full service" agency doing humanitarian, international and national advocacy, and long-term programming.

So what?

In the past, in discussion with my management peers, about this point one of them would say: "That is all very well, Keith, but 'so what?' What do you want us to do about it?"

Across the mix of different Oxfams, working as managing and implementing affiliates in different countries, we have a great opportunity to design and try 'safe-to-fail' experiments. Two things will be needed as SMS evolves to enable a learning network to emerge:

- We will need greater clarity about the nature of an experimenting, 'safe-to-fail' approach, and
- We may need to re-organise our confederation to better align the channels of power and learning.

The first thing is the need for common assumptions about how we respond to complex issues by:

- developing a range of experiments or probes,
- taking time to observe and reflect on what works and what does not,
- being comfortable that at least half of these small-scale probes can be seen as 'failures' if we are going to learn enough (and having the support of leaders for this),
- having strategies in place in advance to amplify and dampen positive and negative results,
- understanding more about when issues are complicated and thus amenable to research and evidence-based approaches and when they remain stubbornly complex, and

- having the means to learn from each other about what is working or not working and where and how this is happening.

The second issue is about the organisation of the confederation. I can see a situation in the future, as our single management structure for delivering programmes (SMS) becomes more mature, where we may be trying to function as a learning network and yet the governance or leadership of the confederation is constructed on a solely affiliate-based approach. I expect this will create an ongoing tension that will need to be managed and it could also constrain the extent to which we can really enjoy and learn from our full diversity and the experimentation that can come from taking a confederated approach on the ground.

We are about to decide on a new strategic plan and to reform our governance. I think both these initiatives take us in a good direction. I am not suggesting we need to make changes to those now or that there is an obvious right answer for structuring the confederation that will best build on our diversity. I think this is a complex problem and, by definition, we cannot tell how it will work out. The most helpful thing to do is likely to be to probe and prod the system and watch how things evolve. These probes might include:

- Trying out where and how experiments might be attempted in different countries and how others might learn from them;
- Developing a culture of experimenting, learning, and sharing and study where it takes hold and where it gets blocked;
- Trialling ways country directors might be better linked in as leaders across the network;
- Watching how that connects with other governance, coordination, and learning structures;
- Keeping alive the question of whether the governance of the confederation enables its full diversity, not just that of the affiliates, to maximise our impact in combating poverty and injustice.

In short, a confederation is a richly diverse but inefficient entity. By handling that diversity well (and its very inefficiencies) we have the potential to have it be our greatest asset in responding to the complexity of the issues we face. That is the joy of confederation, if we turn toward our full diversity and organise ourselves to take advantage of it.

As Theodore Steinway once observed: “In one of our concert grand pianos, 243 taut strings exert a pull of 40,000 pounds on an iron frame. It is proof that out of great tension may come great harmony.”