

## A New Philanthropic Frame

*During this time of chaos and complexity, philanthropy worldwide has an opportunity for innovation and renewal – for creating a culture built on collaboration, candor and community voice to address the most challenging wicked problems. With the right strategies and comprehensive tools, today's philanthropists can improve leadership, create effective organizations, and build powerful partnerships devoted to achieving profound change.*

Headwaters Group  
585 Grand Avenue  
Saint Paul, MN 55102

[www.headwatersgroup.com](http://www.headwatersgroup.com)

651.690.2733

# Overview of Wicked Problems: Strategies for Difficult Times

## PROLOGUE

Headwaters is working with professors of Oxford Said Business School and HEC Paris School of Management to find effective business and social sector strategies that will translate successfully to the philanthropic field and yield real results locally and globally.

Over the next year, Headwaters, in conjunction with colleagues at Oxford and HEC, will release a series of papers showcasing these strategies.

We are beginning with the wicked problem frame because it seems right for the times. The world is experiencing a series of wicked problems, the consequences of which can be felt at all levels. The endowments of grant givers of all sizes have shrunk considerably and nonprofit organizations – both globally and locally-focused – are attempting to meet increased demand for services while trying to keep their doors open. Yet time and again, out of chaos comes innovation and new ideas – and new opportunities for the philanthropic community to affect real and profound change.

## INTRODUCTION

As economist Jeffrey Sachs describes, our ever-shrinking world shares a common fate that requires new forms of global cooperation, entrepreneurship, and innovation. Addressing the great challenges of our time – so-called “wicked” problems – demands that we work together, forming partnerships that will promote sustainable development, stabilize the world's population, narrow the gap between rich and poor, end extreme poverty, and halt global warming. These profoundly challenging and important issues matter to us not just for social equity and humanitarian reasons, but also for our global survival.

## WHAT ARE WICKED PROBLEMS?

Wicked problems are large, messy, complex, and systemic, and include many of the most challenging issues we face, from global issues of poverty and climate change to local issues of failing education systems and lack of affordable housing. There are no easy solutions to wicked problems. Enormous progress can be made in alleviating them, but they will remain with us.

Addressing wicked problems has roots in social policy and planning, and it has been adopted by the business community as an important strategy tool. It remains useful in policy-making arenas to interpret complex systems. The ten properties of a wicked problem, as developed and defined by University of California at Berkeley social science scholars Horst W.J. Rittel and Melvin M. Webber, are:

1. It is impossible to write a well-defined problem statement about wicked problems.
2. Wicked problems have no stopping rule; the search for solutions never ends.
3. Choosing a solution to a wicked problem is a matter of judgment.
4. Solutions to wicked problems generate unexpected consequences over time and measurement is hard.
5. Solutions to wicked problems have consequences that cannot be undone.
6. Wicked problems do not have an exhaustively describable set of potential solutions.
7. Every wicked problem is unique, without precedent; thus experience does not help you address it.
8. Every wicked problem can be considered to be a symptom of another problem; they have no single root cause.
9. A wicked problem involves many stakeholders, who all will have different ideas about the problem, its causes, and solutions.
10. Problem solvers dealing with a wicked issue are held liable for the consequences of any actions.

Source: Harvard Business Review, May 2008,  
Strategy as a Wicked Problem

## WICKED PROBLEMS:

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#### Assets of Wicked Problem Frame

*Equalizes power*

*Fosters community of candor*

*Enhances strategic learning*

*Provides new leadership models*

*Supports authentic community solutions*

*Embraces multi-disciplinary perspectives*

*Builds confidence at a community level and within a philanthropic organization*

*Can be used effectively in policy, advocacy, and development issues*

#### Proven Methods and Tools

*New leadership strategies*

*Boundary-less organization*

*Scenario planning*

*Positive community solutions*

*Complex adaptive practices*

*Double-loop learning*

*Alignment framework*

## WHY IS THIS FRAME IMPORTANT TO PHILANTHROPIC LEADERS?

There are several reasons the wicked problem frame can be useful to philanthropic organizations of all sizes and areas of focus, including:

**Offers philanthropic leadership model** that asks the leader to “step on the balcony” and observe and listen to divergent perspectives from within and outside of the organization. Decision-making centers on creating boundary-less organizations, working across silos and disciplines to get the best information, strategies, and learning. It supports candor, ongoing feedback, and respect.

**Challenges current mental models.** It questions the current way of doing things and envisions future opportunities using scenario planning, complex adaptive theory, and positive deviance. It acknowledges that current approaches are not as effective as they could be and takes action to make things happen.

**Equalizes power** among stakeholders by acknowledging from the beginning that philanthropy doesn’t hold the solution, but can be part of it. All voices are heard and are equal.

**Creates culture of candor** among stakeholders. Everyone recognizes from the beginning that finding solutions will be high-risk and uncertain (wicked problems don’t go away but significant change can be achieved), and will require openness and honesty about what is and isn’t working to fine tune strategies.

**Provides new opportunities for strategic learning.** Immediate feedback and flexibility are essential to learn and retool as needed. Again, without openness and honesty among stakeholders about risk, failure, and learning, the right change won’t occur. It also calls for ongoing alignment internally and with external partners.

**Recognizes that solutions can come from within community** where the wicked problems are experienced. This partnership is based on respect and giving the community an authentic voice. Using a wicked problems frame requires seeking out, listening to, and learning from “positive deviants.”

**Acknowledges that solutions are unique and may not be scalable.** Rather, solutions must adapt to meet the needs of circumstances. Not all solutions are easily replicated (nor should they be), but the process of learning can be magnified.

**Embraces multi-disciplinary approaches** by bringing new and often conflicting ideas to the table in the search for solutions that will work – social sector, business, arts, science, academia, advocacy and government.

**Builds confidence with each success and becomes imbedded into the culture** of communities and philanthropic organizations – and is very effective in policy, research, and advocacy efforts.

## METHODOLOGIES, TOOLS, AND STRATEGIES FOR TAMING WICKED PROBLEMS (and When You Can Use Them)

The wicked problem frame also brings with it a wealth of tested tools to help achieve real, measurable results. They offer new leadership and organizational development strategies for helping philanthropies mirror practices and approaches internally with staff and externally with stakeholders. These approaches include:

- **New leadership models** to guide organizations in transitions, whether developing or transforming.
- **Effective leader/follower strategies** that draw in a true diversity of voices and require leaders to maintain intellectual flexibility and open-mindedness.
- **Boundary-less organizations** to break down silos to share knowledge more easily and work more intentionally and collaboratively.
- **Scenario planning** to provide for both program design and reshaping organizational development structure.
- **Positive deviance** to give the community authentic voice to determine what works and how it might adopt and/or expand those practices.
- **Chaos theory and complex adaptive practice** to put in play an ecosystem model for change.
- **Double-loop learning** to deepen strategic learning to promote innovation.
- **Alignment framework** to understand intention and experience and whether philanthropic organizations are “walking the talk” of generosity and respect.

## WICKED PROBLEMS:

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#### Case Example of a Wicked Problem

A multi-national company headquartered in Europe works in 23 countries in the Middle East and Sub-Saharan Africa. The company has more than 18,000 employees in the poorest and most politically volatile countries in the world—Sierra Leone, Iraq, Sudan, and the Democratic Republic of Congo. It also works in some of the wealthiest, including Saudi Arabia. As such, its employees come from different cultures and have different needs.

- 30 percent of employees have HIV/AIDS and many support extended families on a single salary.
- Many lack access to quality and affordable housing, health care, and education.
- Transportation to work often requires travel on a dirt road riddled with potholes, making the commute long and difficult, whether by foot, bike or car.
- In many cases their governments are corrupt.
- They have a job which gives them income but also makes them a target for violence.

The issues are manifold: The company's employees and their families need housing, they need healthcare, and they need education, all things required to be healthy, productive employees and citizens. So where does the company begin to help? Who does it help first? How does it give employees equal voice about priorities and solutions when everyone has great needs? What is the interplay between public and private investment in development? What role does the company need to play and what role can it afford to play to meet the needs of its employees, but really the needs of their community and their country?

These types of questions are emblematic of wicked problems. The wicked problem frame offers an opportunity for addressing them.

## CONCLUSION

Focusing on wicked problems in these challenging times offers significant benefits for philanthropic funders. From a societal perspective, wicked problems provide philanthropists the opportunity to grapple with the most significant and persistent problems of our time and potentially achieve real change. From an organizational perspective, wicked problems demand a move away from traditional “command-and-control” management to a more inclusive, collaborative, and dynamic strategic

approach. Resulting in more innovative, powerful, and measurable results, a wicked problem frame can help philanthropic organizations ensure increasingly precious funding dollars are deployed with the greatest and most lasting impact.

*This piece is adapted from a more comprehensive report to be released in early February 2009. For more information contact Gayle Peterson or John Sherman at [headwaters@headwatersgroup.com](mailto:headwaters@headwatersgroup.com).*

	ORIENTATION	LEADERSHIP STYLE NEEDED
CRITICAL	<b>NOW</b> Crisis/emergency Needs immediate attention Tactical in nature Know answers to what needs to be done now May or may not have answer to bigger issue	<b>COMMAND AND CONTROL</b> One person in charge of major decisions Sets wheels in motion Command centered-no delegation of ultimate responsibility Action oriented
	<b>PRESENT OR PAST</b> Reactive or planful Answer known somewhere - either inside or outside your organization Requires process, procedure, or practices to fix May be simple or extremely complex	<b>MANAGEMENT</b> Creates teams, committees, task forces Sets guidelines, milestones, and deadlines or due dates Can be delegated Activity based and biased
	<b>FUTURE</b> Anticipatory Emotional Answer not known Broad in scope Complex Implications for change Questions drive the work	<b>LEADERSHIP</b> Identify right people to involve Solved through dialogue Collaborative effort across wide spectrum of organization/people Equality of discussion Cannot be delegated Appears inactive or passive
	<b>TAME</b>	
<b>WICKED</b>		

Source: Strategic Change Resources