Organisations as Systems

Objectives...

1 review the role of systems theory in understanding organizations

2 list the main characteristics of open systems

3 explain what a cybernetic system is

4 identify the key variables considered in the systems approach to organizations

5 list four types of environment

6 discuss the five sub-systems at work in organizations

Key Terms

Socio-technical system	"A sub-division of the systems approach which is concerned with the interactions between the psychological and social factors and the needs, demands of the human part of organisation and its structural and technological requirements."
System	"a set of elements connected together which form a whole, thereby possessing properties of the whole rather than of its component parts"
Systems approach	A management approach which is focused on the total work of the organisation and the interrelationships of structure and behaviour and the range of variables within the organisation. The organisation is viewed within its total environment and emphasises the importance of multiple channels in interaction.
Systems thinking	a holistic approach to analysis that focuses on the way a system's constituent parts interrelate and how systems work over time and within the context of larger systems

29. In this chapter we have described the evolution of management and organization theory. Whereas the classical approach may be criticised for almost viewing organizations without any regard for their people and the human relations approach emphasised people without organizations (and neither particularly considered organizations in turbulent environments), the systems approach takes a holistic perspective, encouraging managers to view organizations both as a whole and as part of a larger environment (open system). The approach considers the interdependency of organization parts, changes in one part – technical or social – will affect other parts, a matter we build upon in the next chapter. The concept of socio-technical systems arose from the work of scholars at the Tavistock Institute – they first developed the concept of the organization as a system. The systems approach and systems thinking has formed the backbone of organizational analysis and can be applied to organizational design problems, strategy, change management, information systems and was later adapted in the concept of the learning organization.