

Organisations as Systems

In this recording we summarise the content of chapter 9 Organisations as Systems. Studying this chapter should help you review the role of systems theory in understanding organizations; list the main characteristics of open systems; explain what a cybernetic system is; identify the key variables considered in the systems approach to organizations; list four types of environment; discuss the five sub-systems at work in organizations; .

Introducing the chapter, the authors start with 1. In chapter 2 (Definitions of Management) we defined an organization as a group of people with a common purpose who work together to achieve shared goals. We also noted that like discussions about management theory, approaches to organisation theory tend to follow the pattern of classical, human relations and systems perspectives. We have not yet explained the systems perspective. The dominance of first the Classical School and second the Human Relations/Social Psychological Schools has been overtaken by a more comprehensive approach to the study of management in organisations. This more recent approach views the organisation as a system of interrelated sets of activities which enable inputs to be transformed into outputs. This view attempts to bring together the classical and human relations approach. The approach, which is described in more detail below, enables theorists to study key elements of organisation in terms of their interaction with one another and, importantly, with their external environment. Whereas, in the past, the explanations were in terms of structures OR people, now it is possible to identify theories which seek to explain or predict organisational behaviour in a multi-dimensional way by studying people, structure, technology and environment at one and the same time. This chapter defines the characteristics of open social systems and summarises the current theoretical position as a prelude to a discussion of the ideas of several outstanding theorists who have contributed to the growing understanding of organisations as systems.

A Systems approach is a management approach which attempts to reconcile the classical and human relations approaches, Mullins (2010). Attention 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..

The key concepts discussed within this chapter are:

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; .

Other terms discussed include:

Adaptive system.; cybernetic system; Information System; Inputs ; Organization; Outputs ; Sub-system; .

Summarising and concluding, the author(s) make the following comments - 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..

We have now reached the end of the chapter 'Organisations as Systems'.

There are a number of references for this chapter where further reading opportunities are identified for you.

Additionally, there are questions or activities to help develop and test your understanding of this chapter