

*POWER POINT PRESENTATION*

*BY*

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The Systems Approach to management theory, commonly viewed as the foundation of organizational development, views the organization as an open system made up of interrelated and inter-dependent parts that interact as sub-systems.

# PRIMARY CONTRIBUTORS TO SYSTEMS THEORY

- Chester Bernard introduced the concept of Cooperative Systems in his book, Functions of an Executive (1938).
- Economist, Herbert Simon, introduced in his book, Administrative Behavior (1947), the concept of systems process in decision-making within organizations. Notably, he introduced concepts of bounded rationality and satisfying.
- Biologist, Ludwig von Bertalanffy, introduced principles of General Systems theory in 1950.
- Other contributors include: Lawrence J. Henderson, W.G. Scott, Deniel Katz, Robert L. Kahn, W. Buckley and J.D. Thompson.



- **Sub-Systems** - Each organization is a system made up of a combination of many sub-systems. These sub-systems are inter-related.
- **Holism** - Each sub-system works together to make up a single whole system. Decisions made in any subsystem affect the entire system.
- **Synergy** - The collective output of the whole system is greater than the sum of output of its sub-systems.
- **Closed and Open Systems** - The whole organization is an open system made up of a combination of open and closed sub-systems.
- **System Boundary** - The organization is separate from the external environment made up of other systems.





- **Inputs - Raw Materials, Human Resources, Capital, Information, Technology**
- **A Transformational Process - Employee Work Activities, Management Activities, Operations Methods**
- **Outputs - Products or Services, Financial Results, Information, Human Results**
- **Feedback - Results from outputs influence inputs.**
- **The Environment - These components make up internal and external factors that affect the system.**



## Advantages of a Systems Approach:

The advantages of the systems approach include:

- It assists in studying the functions of complex organizations
- It is probabilistic rather than deterministic.
- It has been utilized as the base for the new kinds of organizations like project management organization.
- It is possible to bring out the inter-relations in various functions like planning, organizing, directing and controlling.

# **Disadvantages of a Systems Approach:**

- This approach is somewhat abstract and vague.
- It can be difficult to apply to large and complex organizations.
- It does not provide any tool and technique for managers.
- It is not a prescriptive management theory, as it does not specify tools and techniques for practicing managers
- It does not address power and social inequalities and their causes.
- It does not specify the nature of interactions and interdependencies.

# • Source:

- <https://thebusinessprofessor.com/>

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