

A SYSTEMS APPROACH STRATEGY

Introduction

The systematic development of management thinking is viewed, generally, as dating from the end of the nineteenth century, and although a rather simplistic process, it does provide a framework in which to help direct analysis and focus attention on the progression of ideas concerned with improving organisational performance.

Analysis framework

Classical, human relations, systems and contingency.

Other approaches and ideas count.

Scope

There are many ways to approach a systems strategy but this analysis will revolve around a framework of four main approaches:

- Classical – management and bureaucracy.
- Human relations – interaction and interconnectedness.
- Systems.
- Contingency.

Classical approach

This is all about organisational purpose and structure.

Business objectives lead to purposes and responsibilities.

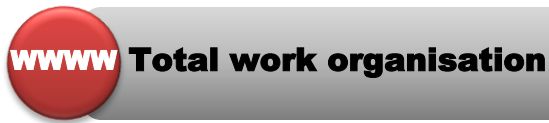
The Classical Approach

This approach views an organisation in terms of its purpose and formal structure, and emphasises the planning of work, the technical requirements of the organisation, management principles, and the expected behaviour of employees. Clarity of an organisation's purpose is essential to understanding how the organisation works and how methods of working can be improved.

By identifying clear and general objectives, the clarification of purposes and responsibilities at all organisational levels become apparent. Focus is given to the most effective structure, the division of work, designated duties and responsibilities, and maintenance of specialisations. Emphasis in this approach is on the hierarchy of management and formal organisational relationships.

The Systems Approach

One person sneezes and everyone catches a cold.



It's all about systems and sub-systems.

People must not be forgotten.

In this approach attention falls on the understanding of an organisation through systems and a number of connected sub-systems. The classical approach analyses the technical requirements of an organisation and its needs, an organisation without people, and the human relations dimension adds relations and social aspects of a workforce. Primarily this is the consideration of human needs or people without organisations.

The systems approach unites the two earlier approaches with a focus on the total work organisation, structures and behaviour, and the variables within the organisation. The separate parts of an organisation come together in this approach in the view of the organisation as a whole and as part of a larger environment. This idea is that any one part of an organisation's activities affects all other parts.

The Contingency Approach

The structures of an organisation affect organisational performance.



There is a need for greater flexibility.

It's about connections and communication.

The classical approach focused on the best form of organisational structure and general sets of principles. The human relation approach gave little attention to structure. In this approach, there is a return to structures as a direct influence on organisational performance. The contingency approach is an extension of the systems approach but differs by introducing alternative forms of structure and systems of management.

Put simply, there is no one optimal state; the structure of an organisation and its success are dependent on the tasks it is designed to deal with and the nature of environmental influences.

The 'best fit' structure and system of management is dependent upon the situation of each individual organisation; one size does not fit all. The contingency approach does not impose one best way to structure and manage an organisation but provides insights into the situation and context influencing decisions.

A step further

The contingency approach is a development of the systems approach; it goes a step further in relating the environment and other factors to the organisational structure. There

is no one best, universal structure; rather many variables, or situational factors, which influence organisational design and function. There is a need for great flexibility and agility in this approach.

WWW There's more

There are many more approaches to the understanding of organisations.

This is a broad field of inquiry, but don't be put off.

The Decision-Making Approach

Effective decision-making directly affects the attainment of goals.

The systems approach separates out the functions of an organisation most concerned with the achievement of objectives and the identification of the main decision areas of an organisation. The four-fold framework is helpful but too simple to stand alone. Viewing the organisation as a system emphasises the need for accurate information and sound channels of communication in order to enable effective decision-making in an organisation.

The decision-making approach focuses on how organisations process and share information in making decisions, the clarification of business goals, and the search for solutions to managing change. Here the importance is managerial decision-making and how organisations process and use information. An understanding of how decisions are made helps in understanding behaviour in the organisation.

WWW An open system or not

How to review the relationship with the external environment.

How open or closed is the system.

The organisation as an open system

The systems approach views an organisation within its total environment and considers the importance, or not, of the channels of interaction or relationship with the external environment. This approach views the organisation as a whole and appraises the relationship between operations and support of business within the system.

Outcomes

Role. This is needed for the analysis of behaviour in organisations. It explains the similar action of different people in similar situations within the organisation and the expectations held by other people.

Relationships. This is needed to explain the patterns of interaction among people and the behaviours displayed towards one another.

Structure. The relationships among members of an organisation give rise to patterns of action which can be identified as a 'transitory social structure'. The social factors, and non-social factors such as payment systems, methods of production and physical layout, together form the behavioural structure.

Process. Human behaviour can be analysed in terms of processes, defined as 'continuous interdependent sequences of actions'. The concept of process is necessary to account for the manner in which organisations exhibit changes in structure.

