

MANAGEMENT

PRINCIPLES AND APPLICATIONS

UNIT-1, 1.1

PART-XIII

CONTRIBUTORS OF SYSTEM APPROACH

Its early contributors include **Lawrence J. Henderson, W.G. Scott, Denial Katz, J.D. Thompson** and **Robert L. Kahn**. They viewed organisation as an organic and open system which is composed of interacting and inter dependent parts called systems and sub-systems.

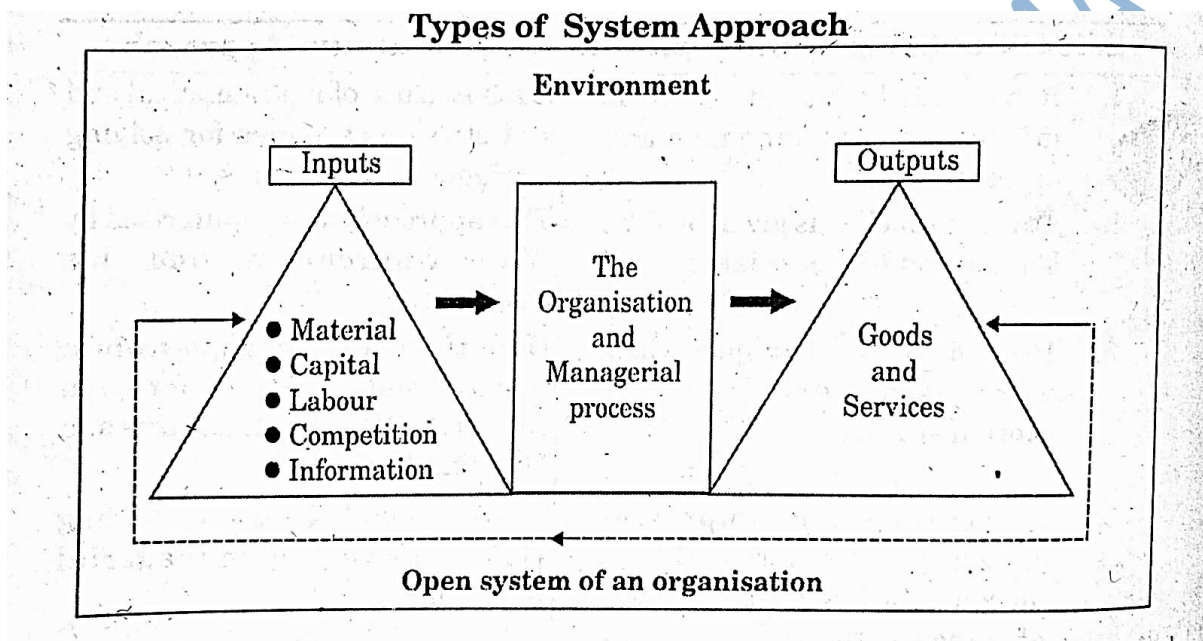
"A system is simply a combination of things or parts forming a complex whole one." In system approach attention is paid towards the overall effectiveness of the system rather than effectiveness of the sub-system, but the interdependence of the sub-system is taken into account. System approach is further considered both general and specialized system.

Features

- i. The various sub-systems should be studied in their inter-related relationship rather than in isolation from each other.
- ii. It is fully system-oriented sub-system based logical and scientific approach.
- iii. A system does not exist in a vacuum. It receives information, material and energy from other system as inputs.
- iv. An organisation is a dynamic system as it is responsive to its environment. It is vulnerable to changes in its environment.
- v. A system consists of interacting elements. It is a set of their related and interdependent parts arranged in a manner that produces a unified whole.
- vi. An organisational system has a boundary that determines which parts are internal and which are external.

- vii. Then these inputs undergo a transformation process within the system and leave the system as output to other system.

Open System: As its name suggests an open system obtains inputs such as raw-material, layout, capital, technology and information from outside environment. In fact, operations are performed upon the inputs and combined with the managerial process to produce desirable outputs which are supplied to the environment, i.e., Customers.



Features of Open System

- i. Every system has got a boundary which separates it from other systems.
- ii. Every system is engaged in processing or transformation of inputs into outputs.
- iii. Every system is very sensitive to its environment such as government policies, competition in the market, technological advancement, tastes of people, etc.
- iv. An organisation is an open and dynamic system. It has continuous interaction with external environment as it gets input from environment and also supplies its outputs to environment.

Closed system: It is found that a system may also be closed one. A closed system is self-dependent and does not have any interaction with the external environment. For example,

technical, computerisation, and physical and mechanical system. But this is not a good approach.

Then through a feedback process the environment's evaluation of the output becomes part of the inputs for further organisational activity. **If the environment is satisfied with the quality of output, business operation continues. But if it is not, changes are initiated in the system so that the requirements of the customers are fully met, this is where the open system works.**

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