System theorys benefit - it allows the organization to better adapt the to enviro...

Business, Management



The paper "System Theory's Benefit - It Allows the Organization to Better Adapt to Environmental Changes" is an excellent example of a term paper on management. Different organizations have varying management theories. Systems theory is among the various theories of management. In this theory, an organization takes the form of a system whether open or closed. A system is a complex whole that is made by different distinct parts. An open system is made up of three components; inputs, throughputs, and outputs. The theory is mainly based on the interdependence of the various parts of an organization, hence getting to understand the holistic view in the organization (Rice, 2013). System theory has many pros and highlighted below. It gives the management and the organization better adaptability to environmental changes. Since the organization is studied as a whole and not in parts, it's easy to adapt to the changes. Decisions are made in consideration of the internal and external environment. The focus of the theory is in achieving the individual as well as the organization goals. Since the organization takes the form of a system, there is uniformity in the making of decisions since no department in the business gets preferential treatment over the other. This theory of management makes it possible to focus on multiple dimensions of management. It provides the organization with a basis of control from the variance of the target and the results (A, 2018).

Despite the different pros, there are cons that come with the application of the system theory of management. Since the whole organization has to function as a system, there is no independence of the departments hence slower decision making. The system theory does not define the extent of interdependence among the various departments. An assumption of the system is that an organization functions as an open system and large in size. This makes it difficult for the theory to be applied in small organizations. When applying the theory, classifications of the different interrelationships have to be done carefully since a mistake in the classifications will not translate to the desired results.

The theory may be applied to an organization in market research of a new product. The organization launching the product needs feedback from the market about the effectiveness of the company. Since the organization functions as an open system, it involves different parts in its functioning. The different parts interact with the better performance of the system. Similarly, the internal and external environments function together for the organization to be effective. In launching the new product, the feedback from the external environment, customers, must be considered. The information is gotten from interaction with customers through tradeshows. Without feedback, the system is not complete. The system is the most effective in the launch of the product since it integrates all the components of the business. The theory provides a framework for the interactions of the parts of the organization.