

From SYSTEMS APPROACH To SYSTEMS INTELLIGENCE

The understanding of systems intelligence provides very deep and significant insights into the functioning of organizations...

Management as a practice can be viewed from many angles. It can be seen as a process involving human beings and this is referred to as Human Relations Approach. In this approach, management is not viewed as a set of mechanical activities to be performed by individuals or machines. This is in direct contrast to the Scientific Approach that prescribes scientific methods of breaking down the work structure from time and cost point of view and allocating it to different organizational units for optimum results. There are various other approaches to management as well.

An approach that is not widely practiced is the Systems Approach to Management. Almost all management graduates would have heard about the term but many would not have followed such an approach. Systems approach gains importance whenever the business environment undergoes major changes or continuous changes. As long as the environment is stable and predictable, management is much easier and the results predictable. But, when the business environment goes through wild fluctuations especially in the domains of Technology, Society, Politics, Economics, then the classical or conventional approach to management either breaks down or renders the results unpredictable. This is mainly due to a large number of factors affecting the business simultaneously.

Classical management is based on Linear Thinking. This implies viewing an outcome as a result of multiple factors. For example, if we assume increase in sales as an outcome then the causal factors like advertisement, promotional campaigns, etc. act on the outcome independently. This Linear thinking does not hold water in real life situations. In the above case, the advertisement launched by the company might have either helped the sales team or the campaigns might have caused embarrassment to the sales team because of the advertisement released much earlier to the availability of product in the market. So, it is possible that the factors we assume as independent to be highly inter-related. This kind of phenomenon is not easy for human mind either to comprehend or to understand the inter-relationships.

Systems Approach becomes useful and effective in this situation. Systems Approach views Management as a set of inter-related elements working towards the common goal. Here, the emphasis is not on cause and effect that is the usual assumption in linear thinking. In systems approach, there are multiple causes and multiple effects. A System can be either an open system or a closed system. A closed system does not interact with its environment but the open system works with its environment either for inputs, outputs or feedback.

Feedback is the most important element in the Systems approach. A System must continuously adapt itself to the changing nature of its environment or will become extinct. Similarly, a business system must change continuously to meet changing requirements of the environment. This adaptation is possible only through learning and learning translates into adaptiveness. An adaptive organization would be able to survive under an unfavorably changing business environment. Feedback is the crux for organizational

learning. Feedback loops in a system either reinforce a particular pattern or behaviour or reduces a particular pattern or behaviour. A system depends upon the feedback loop. A business organization should not remain in an equilibrium state for a long period. It is the responsibility of the leader to disturb the equilibrium as often as possible to keep the system vibrant and dynamic.

The latest development in this line of systems thinking is Systems Intelligence. Systems Intelligence means Intelligent Behaviour in the context of complex systems involving interaction and the feedback. A complex system is defined as a system with large number of elements interacting nonlinearly. A subject (individual or an organization) acting with Systems Intelligence engages successfully and productively with the holistic feedback mechanisms of its environment. The subject is aware of its own interdependence through the intensive feedback from environment and able to act intelligently. Intelligence here refers to a Best Fit (as in the context of survival of the fittest). Systems Intelligence reaches beyond Systems thinking in its practical, active, personal and existential emphasis.

Systems approach, with the understanding of systems intelligence provides very deep and significant insights into the functioning of organizations like Butterfly effect, edge of chaos, emergence and so on. An inquisitive reader can take a deep plunge into these oceans if they have sufficient time.