**Advantages & Disadvantages of Systems Thinking in the Workplace**



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Traditionally, managers and business owners have attempted to resolve issues or improve efficiency by breaking down the production process into sections and addressing problems in each segment of the business. Some academics argue that you should apply systems thinking to your business when you are confronted with issues. Systems thinking works on the premise that you must understand how the different components of your business interact and that you can only solve problems by studying the relationship between these components.

**Unintended Consequences**

* You can attempt to increase your firm's sales by replacing the least effective salesman with a new employee. The new employee may generate more sales, so you should expect your business to benefit as a result of this change. However, the new employee may lack the fired employee's organizational or interpersonal skills. If you apply systems thinking to this situation, you look past the issues of sales results and examine the behaviors and practices of your sales team as a whole. You may find that your poorly performing sales employee carries out other important functions. You can therefore address the issue of making your business more efficient, rather than making the mistake of identifying a single person or issue as the root of your firm's problems. Systems thinking allows you to avoid the unintended consequences of making a series of isolated decisions.

**Time**

* As a small business owner, you may have to work long hours. Consequently, when confronted with a deadline or a major issue, you often have to make quick decisions if you want to keep your good clients happy and salvage deals. If you address all of your issues with systems thinking, you have to set aside enough time to complete a thorough review of your entire business and the firm's interactions with business partners. You may not have sufficient time and money to afford yourself the luxury of systems thinking.

**Boundaries**

* You can easily address an issue if you understand the boundaries of that problem. If your computer breaks, then the boundaries of that problem include the computer, the budget you have set aside to replace or repair equipment, and the time frame within which you must fix the computer. Boundaries in systems thinking are harder to find. You can draw up a plan that details the production process and apply systems thinking to it if you want to improve efficiency. However, if you use systems thinking, you also need to consider future events, such as the need to replace equipment, hire additional staff or pay increased taxes. If you include the future into the equation, you have to decide how far into the future to draw the boundary. Therefore, systems thinking theories are sometimes difficult to put into practice.

**Big Picture**

* You can use a systems thinking model more than once. If you resolve an issue with your accounting department by studying that department in relation to the payroll department, it should not take you long to figure out how other departments might negatively affect the payroll department. In the short term, it takes longer to resolve issues with systems thinking; but in the long term, you save time when compared with treating each and every problem as an isolated issue.

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