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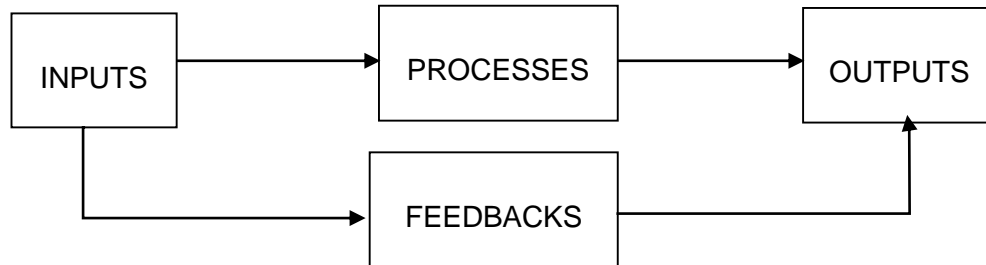
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THE GENERAL SYSTEMS THEORY (GST)

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Objectives of the paper: The aim of this paper is to introduce an interdisciplinary theory called as the General Systems Theory and give a brief explanation of its application in the field of business.

The General Systems Theory is developed by Ludwig von Bertalanffy, a biologist in 1928. This is an interdisciplinary theory that proposed a complex system shared several basic principles in order to function properly. At first, the theory is developed to describe the natural processes or nature of a complex system such as the human body functions. However, later, the theory has been applied to the business field. In the business field, the system theory is a framework to investigate and describe any group of objects that work together to produce some result. It focuses on the relations between the parts and connect them into a whole system. The GST also promises to offer a valuable concept for evaluating the human interrelation. In the studies of perception, system theory is able to model human interactions that include intrapersonal, interpersonal and intergroup. It provides the basis for interpreting human experiences and the actual phenomenon.

Generally, the theory is proposed driven by the needs to understand the system's complex nature. In business for instance, the GST explains how a part of an organization interacts with the organizations, market and industry. Across the years, the theory has continued to become an approach to explain the organizational perspectives especially related to team effectiveness. The GST agreed upon an aspect that "input" will lead to the formation of "output". The components of the theory include inputs (raw materials, labour, finance and commitment), system/processes (operations, methods, employee activities, management activities), outputs (goods and services, information), feedback and environment (consumers, competitors, government, suppliers). Based on the theory, inputs can be represented by the resources held in either an individual level, group level or environment level. Individual' skills, personalities and attitudes are the example of factors to represent the individual level, work structure and group characteristics capture group level factors and organizational structures such as culture, task and reward system explain factors at environment level. These factors can be manipulated throughout the process and output stage. The second component is process. The process is designed as the mediating mechanism that will convert inputs to outputs. It explains a range of group interaction process such as communication, motivation and information exchange that is influenced by inputs in hand and will affect the outputs later. On the other hand, outputs refer to the group's outcome. It can be measured in either group performance or member reactions. Group performance measured the degree of achievement set by the group while member reactions capture the perception of satisfaction with the group processes.

As a conclusion, the theory suggests that a system belongs to an interaction of parts and it assumes that a system has some properties in common. The system implies the relationship between components in the system and not the nature of its individual component that affect its properties.