

The Relevance of Systemic Approaches in Business Sciences: Last Words on the Special Issue for the 2nd B.S.Lab Symposium, Rome 2014

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Our times are characterized by intense changes in the viable logics of markets and, generally speaking, of business systems. Business scenarios today are typified by connectivity, dynamism, nonlinearity, and emergent behaviors - in other words by “complexity” (Dominici, 2012).

Reductionist models are unable to completely depict, or to allow us to totally understand the new business scenarios. Today, more than ever, it is necessary to recognize the need for a paradigm shift that can carry science beyond the analytical reductionist approach, and towards a more comprehensive systemic perspective.

Systems thinking can be critical to unlock new perspectives and enhance holistic views for a better understanding of the dynamics of social and business systems. In the last decades we have witnessed a paradigm shift in the managerial approach from the whole/part model to the systemic-environmental approach. This shift initiated the epistemological shift in social sciences in the fields of sociology, management and economics (Pitasi & Dominici, 2012).

The concept of alleged stability of the business context, has proved to be a fake illusion by the evidence of continuous rapid changes in society, organisations and markets (Dominici & Palumbo, 2013). This, does not mean totally rejecting all the breakthroughs that the reductionist approach has brought to business science, but it does mean going ahead and being conscious that the analytic method alone is not sufficient for obtaining a deeper insight on complex trends.

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Therefore, without discarding the old paradigm, business scholar and practitioners should embrace a systemic view of social and economic phenomena.

To deal with emerging complexity managers need systemic skills, able to provide better directions to firms. This implies going beyond the mere application of business models and mechanical algorithms. Managers and consultants need to expand their ability to grasp the “sense of events” and learn to think in terms of the “possible”, and to deal with the “emergent” (Dominici, 2012).

In today’s “liquid” society, intangible and irrational aspects manifest prominently in consumer choice. The very existence of marketing implies that the consumer does not choose as a “homo oeconomicus” who considers tangible costs and benefits, but who instead thinks and chooses according to the emotional and symbolic values of goods. This has implications for the whole value-creation process, and consequently for managerial practice.

The firm cannot be conceived as an isolated system. Each time we use reductionist logic to identify a system, we make a distinction between what is inside and what is outside the system. The systemic approach highlights the complexity of the relations between the system and the environment, and the constant interrelation and exchange of matter, energy, and information between the system and the environment.

Another relevant aspect for the management of firms in complex scenarios is the characteristic of “emergency”. An emergency, in a complex system, is a manifestation of something “new and unpredictable” from the point of view of the planner. To deal with emergencies, it is important to consider that the position of the firm in its business environment is the result of different levels of relations, which create both internal and external dynamic hierarchies. These cannot be crystallized into a single pyramid; they evolve and coevolve with mutual relations at different levels. This allows the firm to have more chances of dealing with emergent patterns.

We can refer to the new concept of dematerialized (liquid) firms’ structure, according to which firms can be considered as value constellations of intangible assets (Baumann, 2000). This implies that twenty first century enterprises depend much more on their portfolio of intangible assets (Pitasi and Dominici, 2012) than they did in the past. Hence, the firm cannot be considered as a static entity that can be produced with predefined functions, but as a systemic tool for planning future scenarios.

The firm as a systemic tool needs to deal with the bigger system that is that of the whole ecosystem so that any alteration, advance and development of a business system must be valuable in the long term, thus it must be “sustainable”.

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