What Is an Open System?

An open system is a system that regularly exchanges feedback with its external environment. Open systems are systems, of course, so inputs, processes, outputs, goals, assessment and evaluation, and learning are all important. Aspects that are critically important to open systems include the boundaries, external environment and equifinality.

Healthy open systems continuously exchange feedback with their environments, analyze that feedback, adjust internal systems as needed to achieve the system's goals, and then transmit necessary information back out to the environment.

Boundaries

All systems have boundaries, although the boundaries can be difficult to identify because systems can be very dynamic. Open systems have porous boundaries through which useful feedback can readily be exchanged and understood.

Closed systems, unlike open systems, have hard boundaries through which little information is exchanged. Organizations that have closed boundaries often are unhealthy. Examples include bureaucracies, monopolies and stagnating systems.

External Environment

The external environment includes a wide variety of needs and influences that can affect the organization, but which the organization cannot directly control. Influences can be political, economic, ecological, societal and technological in nature.

A highly effective organization is regularly exchanging feedback with its external environment – it is an open system. Healthy organizations regularly try to understand their environments through use of environmental scanning, market research and evaluations. These organizations often try to influence their external environment, as well, for example, through use of public relations, advertising and promotions, lobbying and advocacy, and educating industry and local leaders.

Outcomes (Results Among Customers)

Outcomes are critically important to the success of an organization. Outcomes are in regard to the changes, or benefits, that customers accomplish as a result of using a particular product or service. Outcomes are usually specified in terms of changed:

1.   Knowledge (usually short-term outcomes).

2.   Behaviors, notably those that comprise useful skills (often intermediate outcomes).

3.   Attitudes, values and conditions, such as increased security, stability or pride (usually long-term outcomes).

Some examples of outcomes from a product or service are when customers learn to read from attending a training, achieve a healthier body by using a health club's facilities or have a cleaner house from using the company's vacuum cleaner product. Notice the difference between outcomes (measures of changes in customers) and outputs (measure of activities in an organization).

Equifinality (More Than One Way to Accomplish the Same Result)

Equifinality means that the same or similar results can be achieved by using a variety of different processes. For example, management can achieve the same results by using different inputs or by using different processes with the same inputs. Equifinality suggests that there is no one right way to accomplish important results in an organization.

In contrast, closed systems have one right way to do things. For example, in heavily bureaucratic organizations, a person must finish the necessary procedures regardless of how useful an intended result will be for the organization – the focus is on doing things right, rather than doing the right things.

The concept of equifinality explains why there is no one right way to lead or manage organizations. It explains why there is no one right way to guide organizational change. You should keep this in mind when adopting various solutions-based best practices, diagnostic models and assessment tools.

Overview of the Open System of an Organization

The graphic on the following page depicts the overall open system of an organization. In the following depiction, remember that the general flow of activities in the system is in a large loop or cycle. Each phase exchanges feedback (for evaluation and learning) with other phases and, as a result, some phases are changed and/or repeated in the overall cycle. Remember that the following graphic is a model of the workings of a system. Do not confuse the graphic to be the actual system of an organization.

Table II:6 – Overview of the Open System of an Organization

Goals	Goals	Goals	Goals

Inputs	**Processes**	**Outputs**	**Outcomes**
Standard materials and concepts used by the organization, for example:	Subsystems to process the inputs and generate outputs, for example:	Tangible results from the organization, products or services, for example:	Benefits to customers (in the external environment) from using the outputs, for example, customers who are more:
▪ People ▪ Ideas ▪ Time ▪ Money ▪ Facilities ▪ Technologies ▪ Customers ▪ Location ▪ Collaborators ▪ Etc.	▪ Individuals ▪ Teams ▪ Projects ▪ Programs ▪ Products and services ▪ Processes (cross-functional) ▪ Functions ▪ Etc.	▪ Trained customers ▪ Courses ▪ Books ▪ Revenue ▪ Fixed cars ▪ Patients ▪ Furniture ▪ Houses ▪ Etc.	▪ Happy ▪ Financially strong ▪ Employed ▪ Literate ▪ Independent ▪ Healthy ▪ Mobile ▪ Etc.

Feedback Between All Parts and External Environment for Evaluation, Learning and Adaptation

Feedback in from the environment is especially from standard inputs, environmental scanning, market research and evaluations.
Feedback out to the environment is especially from outputs, public relations, advertising and promotions, and outcomes.

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