

**Systems Thinking**

By [Elizabeth Scott](https://www.brighterstrategies.com/blog/author/brighterstrategies/)|April 6th, 2016|[Organizational Development & Performance](https://www.brighterstrategies.com/blog/category/organizational-development-performance/)|[0 Comments](https://www.brighterstrategies.com/blog/systems-thinking/#respond)

You may have seen the title of this blog article and considered skipping the read. After all, “systems thinking” doesn’t sound very compelling. We’re glad you gave the topic a second glance; we promise that systems thinking *is* exciting when you grab hold of its power and observe it in action in your organization. And that is what we at Brighter Strategies want to help you to do.

**What is systems thinking?**

Systems thinking is the process of understanding how various systems influence one another within a complete entity (or larger system). Systems exist everywhere you look. In nature, for example, air, water, plants, and animals work together as systems within a larger ecosystem. In organizations, systems include people, planning, processes, and performance. In healthy organizations, these four systems work together in alignment toward common goals. In unhealthy organizations, systems are separated in silos that are – at best – uninformed by the others, and – at worst – competing with each other.

**How does systems thinking work?**

Savvy leaders use systems thinking to make organizational decisions. First, you must collect data from your various systems (people, planning, process, and performance). Then, you map the data visually to see 1) to what extent your systems are working together toward common goals, and 2) how your organization is performing as a whole.

**What is the benefit of systems thinking?**

Information from data is knowledge that you can use to improve employee and organizational performance. Subsequent mapping and simplifying of processes promotes a shared learning experience that can enhance employee engagement. Finally, systems thinking illuminates existing skills gaps that require training and development.

Consider this: How effective are data-free decisions, really? Certainly ignorance is bliss when it comes to most anything in life. The same is true for your organization – if you are making people, planning, process, and performance decisions that are not rooted in evidence from valid and reliable data, what is the point? You are merely throwing a dart while blindfolded and hoping it sticks somewhere on the dart board in front of your face. Data, while not always clean to gather nor easy to mine, coupled with systems thinking, guides you right to the center bull’s eye.

**How can I make systems thinking a reality in my organization?**

A systems diagram is a practical tool we recommend to help you map out the structure of your organization and its systems. Drawing a systems diagrams depicts the factors and relationships that are important in your organization, and helps you to start quantifying the linkages between factors.

In diagramming, the relationship one factor has on another is most simply illustrated by a straight line. For example, a company may believe as training and development investment increases, so does employee performance. Because both increase – or improve – this line is marked by a plus sign (see Diagram A below). If the opposite were true, the line would be labeled with a minus sign. For example, as product price increases, customer satisfaction decreases.

Diagrams become much less linear when you introduce feedback loops. A balancing loop occurs when feedback reduces the impact of a change. For example, increased training and development leads to increased performance, as well as an uptick in attrition because some employees with new skills leave for a greener pastures. A reinforcing loop shows where feedback increases the impact of a change: Greater investment in a restaurant’s service raises customer satisfaction, which increases the quality of customer reviews. Finally, the impact of external factors, such as a competitor agency, is shown by an arrow pointing to the part of the systems diagram affected by that factor.

Below is a sample diagram from [MindTools](https://www.mindtools.com/pages/article/newTMC_04.htm). This image gives you an idea of what you could accomplish if you were to map your own nonprofit agency’s systems. Certainly systems diagramming can be a complicated endeavor, and Brighter Strategies is here to guide you through this process. We work with dozens of nonprofit agencies to put the power of data back in your hands.

**Diagram A: Sample Systems Model**

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