

ALED 342 Learning Organizations
Balancing and Reinforcing Loops Case Studies

Directions: Read the following case studies and create the casual loops as described.

#1: The Case of Student Retention

At Texas A&M University, one concern is keeping students in school to obtain their four-year degree. The longer a student stays in school, the more it costs them because they are not in the permanent workforce and costs of living are continually rising. Therefore, a student's need for money is a factor in retention. The more students who need money causes the number of loan opportunities to decrease. Therefore, more students begin to work part time jobs. When students work part time jobs, their study time decreases and their academic grades are lower. When student's academic grades are low, they are not permitted to remain in school.

The variables to consider for this casual loop are:

Student retention
Costs to student
Student need for money
Loans available
Student need to work
Study time available
Academic grades

Diagram the causal loop, label S (same) and O (opposite), and label R (Reinforcing) or B (Balancing).

#2: The Case of Winning Basketball Games

Whether a collegiate basketball team wins or loses affects how fans feel about the head coach. When the team wins, the fans "love" and support the coach and consequently attend the games. High attendance at the games adds to revenue generated and the budget for recruiting is increased. With the increase in budget, more good recruits sign with the team and winning continues.

What are the variables that apply to this case?

Draw the causal loop and label "S" or "O" depending on the relationship between variables. Determine if it is R (Reinforcing) or B (Balancing).

Now, consider this additional set of variables: when the fans "dislike" the coach, the coach's retention is limited and new coaches are hired. When new coaches are hired, new team plans are created and the budget for recruiting is increased. Add to your loop above and create a multi-loop diagram.