

Fundamentals of Total Quality Leadership

Module 3: System of Profound Knowledge

Lesson 1: Systems

Student Information

Lesson Outline

Student Information	3-1-1
VG-1 Systems	3-1-2
VG-2 Learning Objectives	3-1-2
VG-3 DON Approach to Quality Management	3-1-3
VG-4 What is a System?	3-1-3
VG-5 Systems and Subsystems	3-1-4
VG-6 Organization as an Extended System	3-1-4
VG-7 Optimization of the Organization	3-1-5
VG-8 Suboptimization of the Organization	3-1-5
VG-9 Conditions Leading to Suboptimization	3-1-6
VG-10 Ways of Viewing the Organization	3-1-6
VG-11 The Organization as a System, Subsystems, and Processes	3-1-7
VG-12 Extending Outside the Organization	3-1-7
VG-13 Stakeholders of the Extended System	3-1-8
VG-14 Measures in the Extended System	3-1-8
VG-15 Extended System Example	3-1-9
VG-16 Measurements in the Extended System	3-1-9
VG-17 Lesson Summary	3-1-10

Lesson Objectives

By the end of this lesson the student will be able to:

- EO 3-1 Define system.
- EO 3-2 Explain the relationships among systems, subsystems, and processes.
- EO 3-3 Identify the elements of an extended system.
- EO 3-4 Explain the concepts of optimization/suboptimization.
- EO 3-5 Explain the importance of viewing an organization as a system.
- EO 3-6 Explain the importance of measures in the extended system.

Length of Instruction

This lesson takes approximately 1.5 hours

Fundamentals of **T**otal **Q**uality **L**eadership

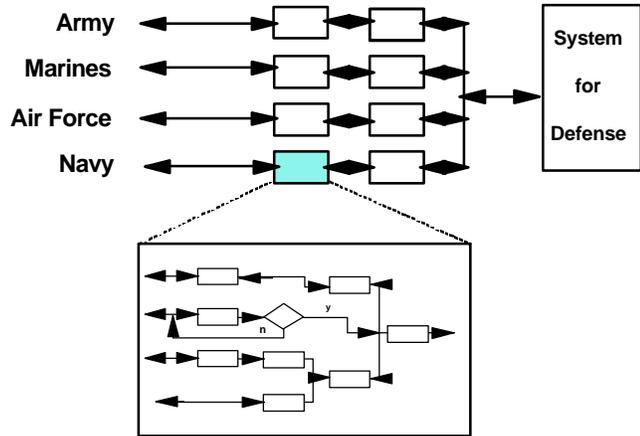
Module 3
System of Profound Knowledge
Lesson 1
Systems

Learning Objectives

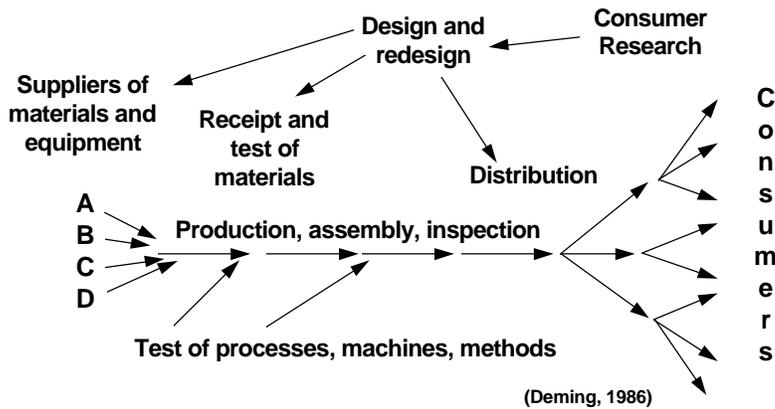
At the end of this lesson the student will be able to:

- ◆ Define system
- ◆ Explain the relationship among systems, subsystems and processes
- ◆ Identify elements of an extended system
- ◆ Explain the concepts of optimization/suboptimization
- ◆ Explain the importance of viewing an organization as a system
- ◆ Explain the importance of measures in the extended system

Systems and Subsystems

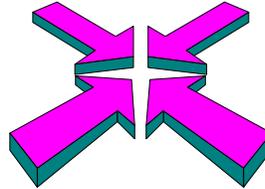


Organization as an Extended System



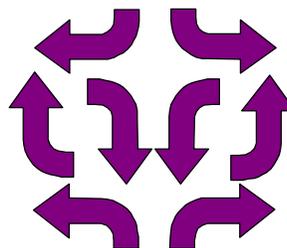
Optimization of the Organization

- ◆ Occurs when the aims of the subsystems or parts support the aims of the organization
- ◆ May result in a delayed effect
- ◆ Must be managed



Suboptimization of the Organization

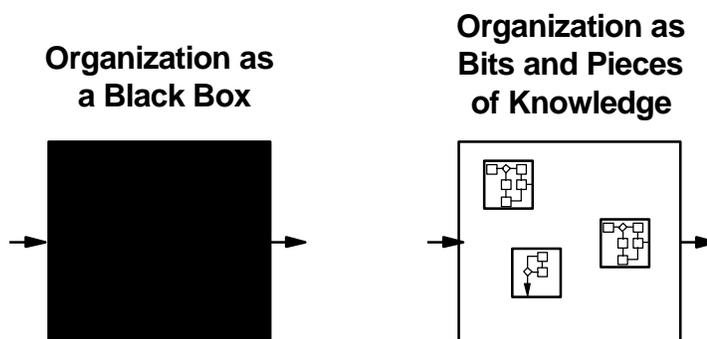
- ◆ Occurs when the aims of the subsystems or parts do not support the aims of the organization
- ◆ Occurs when management fails to lead the organization as a system



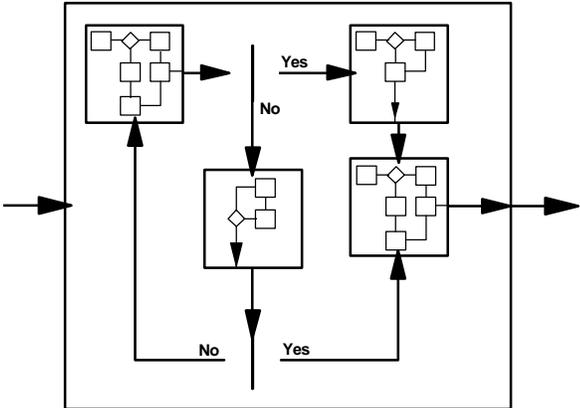
Conditions Leading to Suboptimization

- ◆ A lack of organizational aims
- ◆ Improper recognition of people
- ◆ Ineffective organizational design

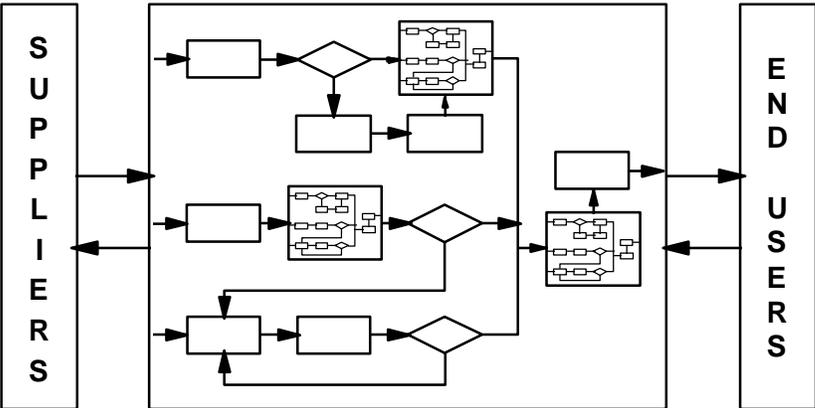
Ways of Viewing the Organization

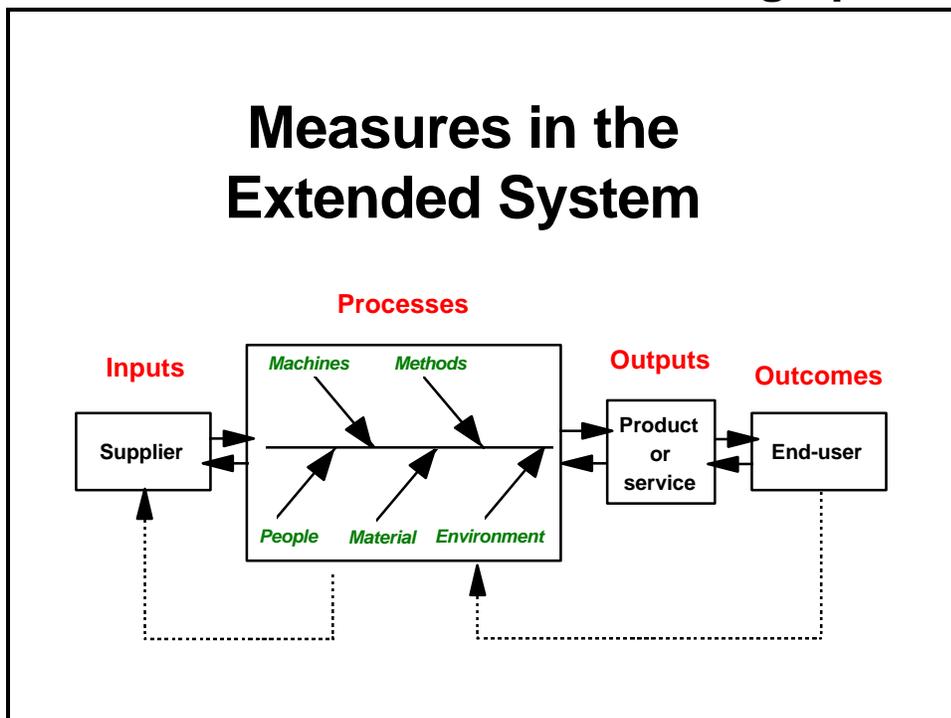
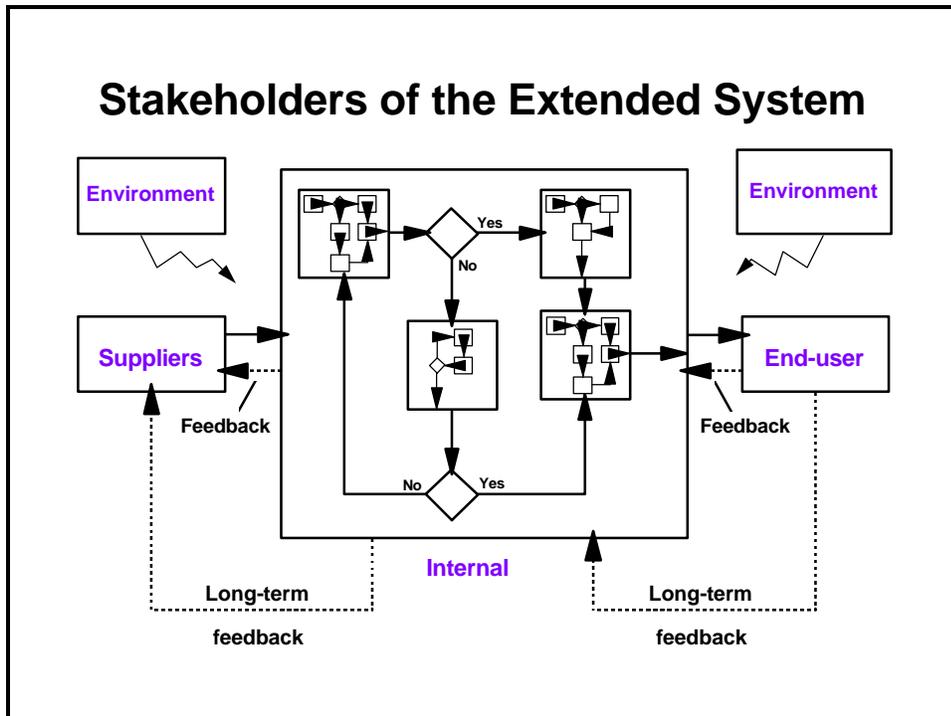


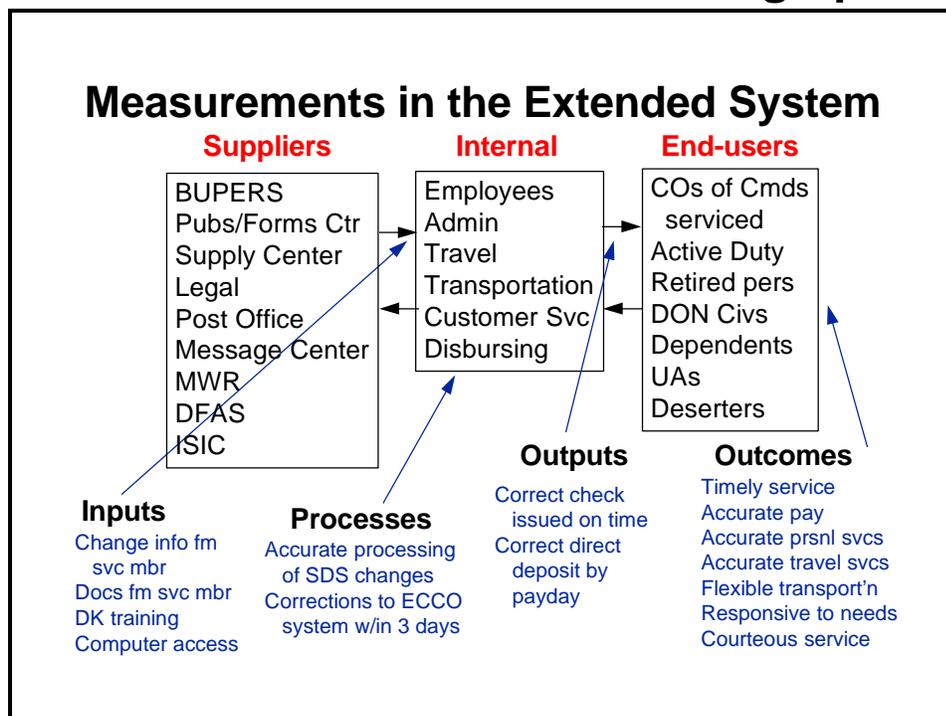
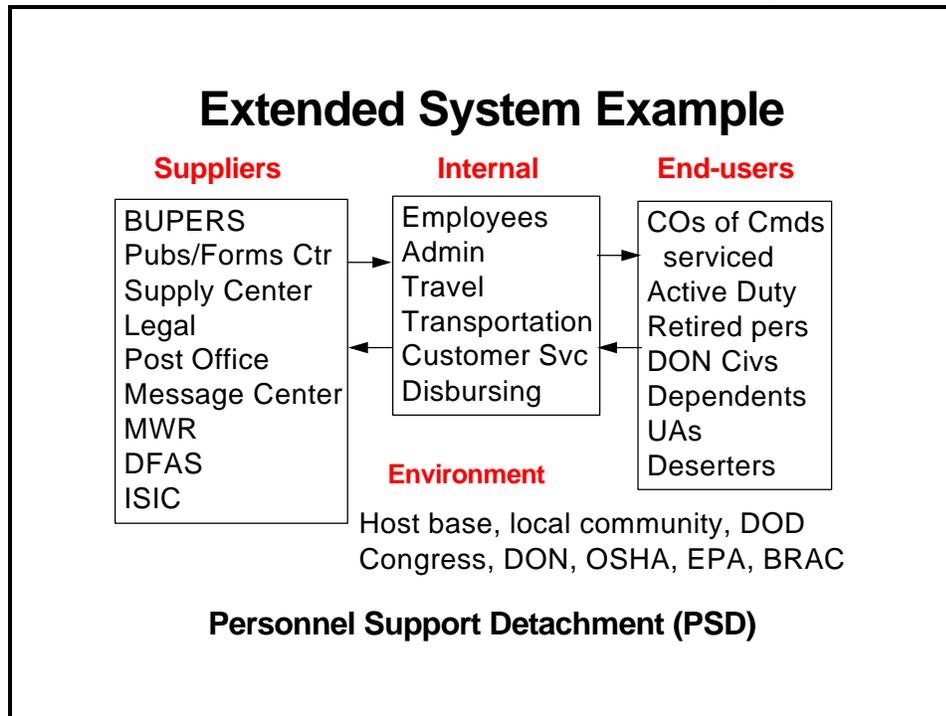
The Organization as a System, Subsystems, and Processes



Extending Outside the Organization







Lesson Summary

- ◆ It is important for managers to view the organization as a system
- ◆ Everyone must work toward the aims of the organization to avoid suboptimization
- ◆ Boundaries of a system extend beyond the organization itself (customers, suppliers)