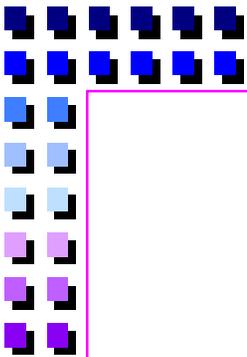


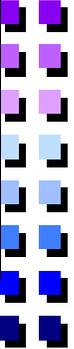
Fundamentals of **T**otal **Q**uality **L**eadership

Module 3
System of Profound Knowledge
Lesson 1
Systems

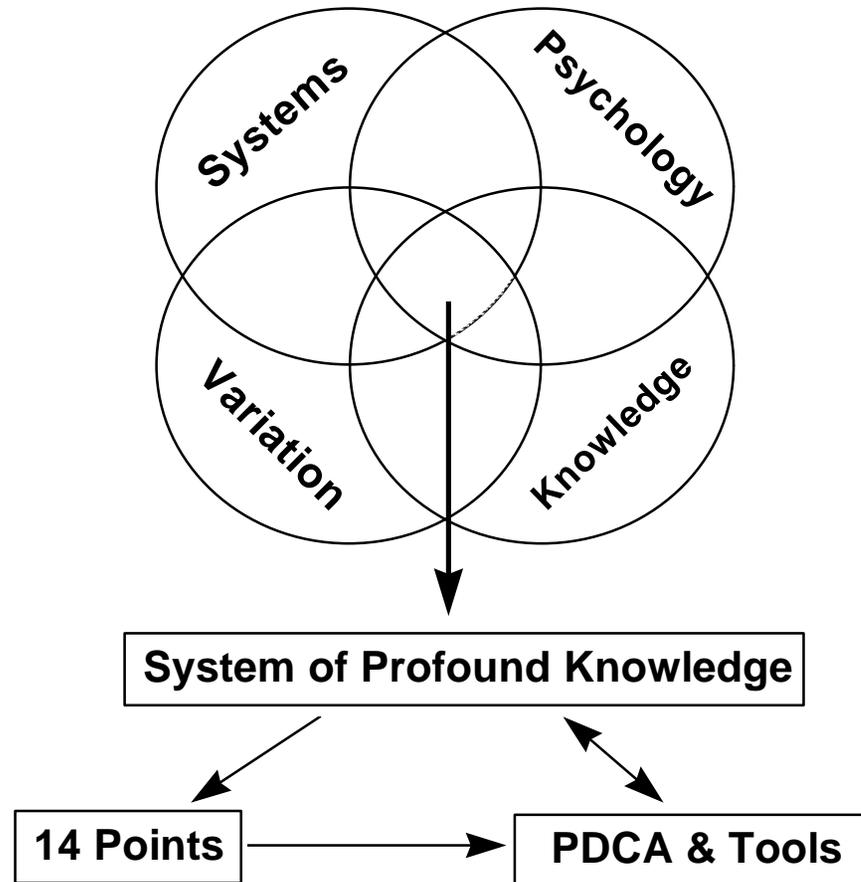


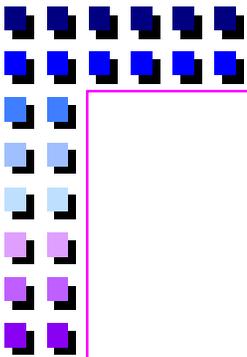
Learning Objectives

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
- 

DON Approach to Quality Management

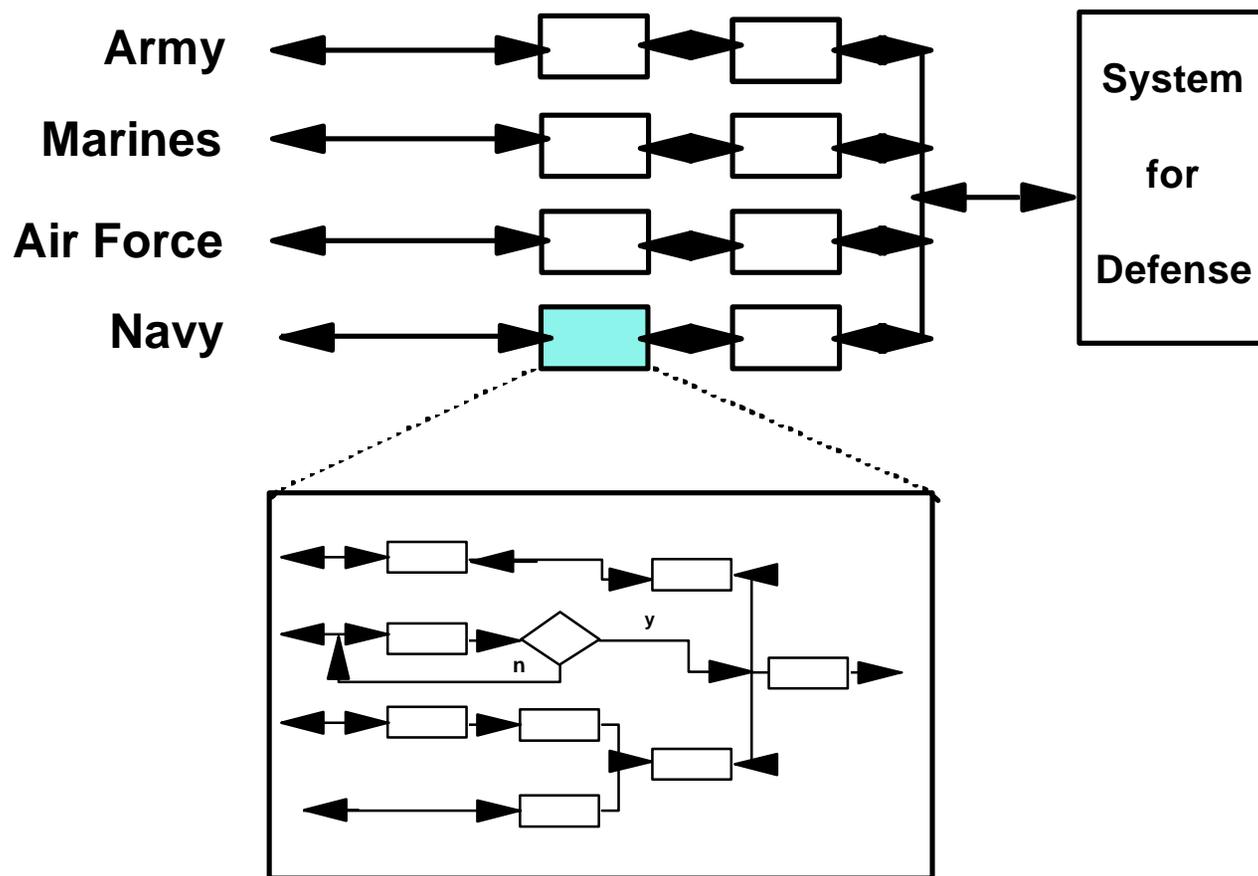




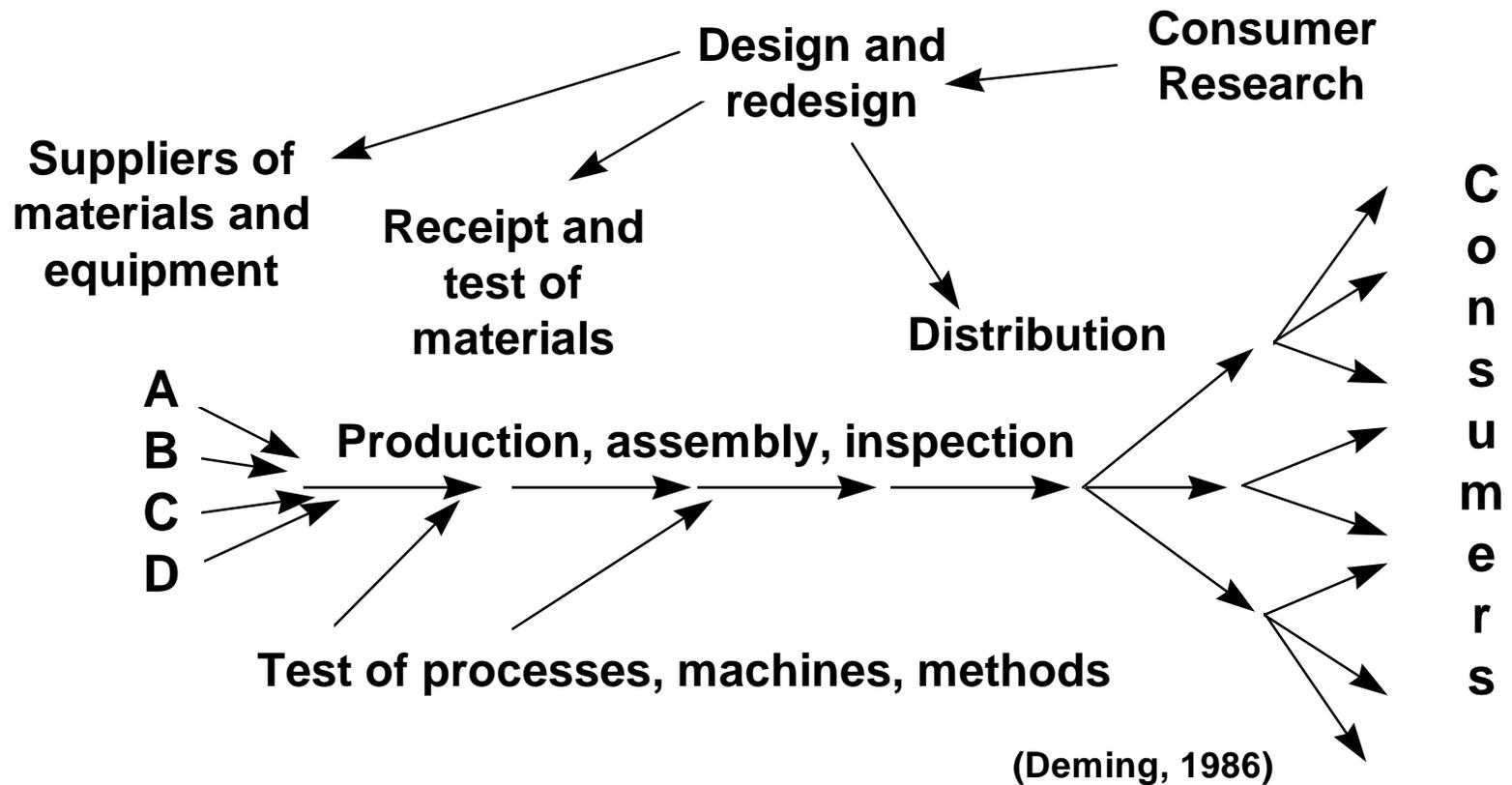
What is a System?

- ◆ **Collection of interacting parts functioning as a whole**
- ◆ **Collection of subsystems that support the larger system**
- ◆ **Collection of processes oriented toward a common goal**
- ◆ **The organization as a system**

Systems and Subsystems

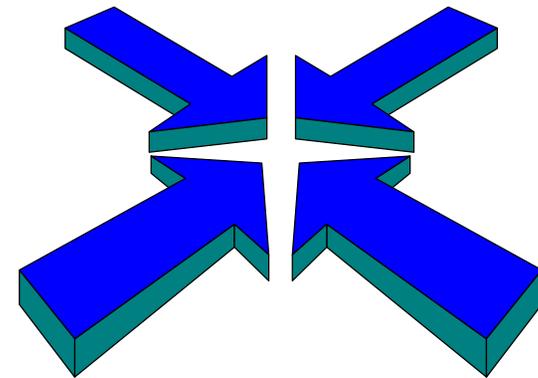


Organization as an Extended System



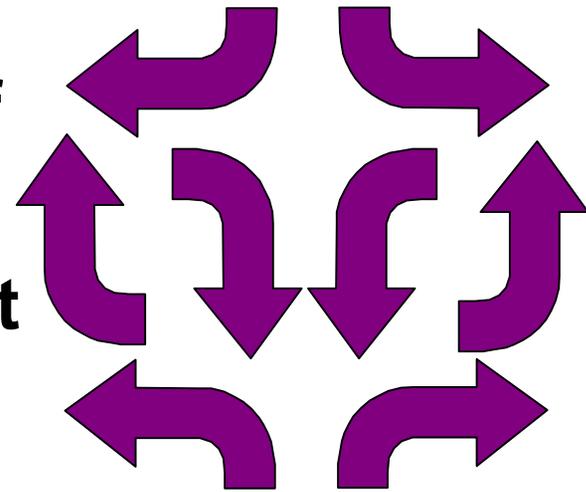
Optimization of the Organization

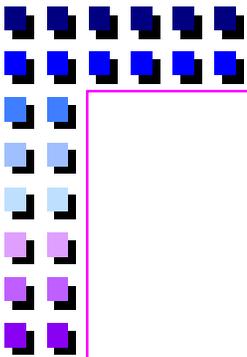
- ◆ Occurs when the aims of the subsystems or parts support the aims of the organization
- ◆ May result in a delayed effect
- ◆ Must be managed



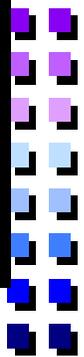
Suboptimization of the Organization

- ◆ 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



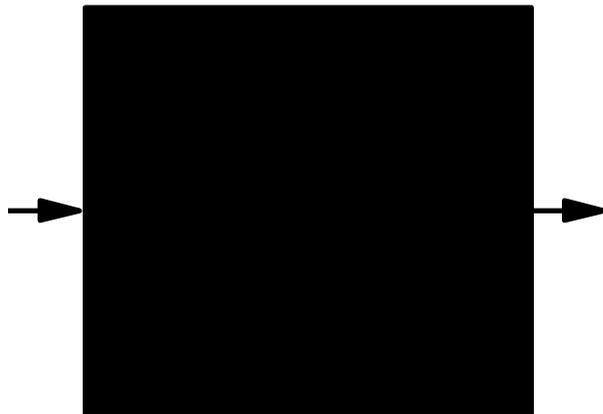


Conditions Leading to Suboptimization

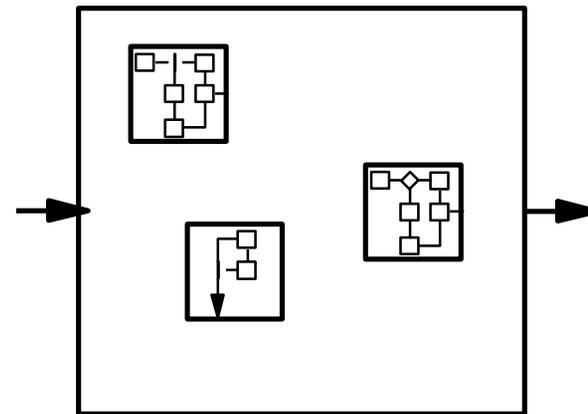
- ◆ A lack of organizational aims
 - ◆ Improper recognition of people
 - ◆ Ineffective organizational design
- 

Ways of Viewing the Organization

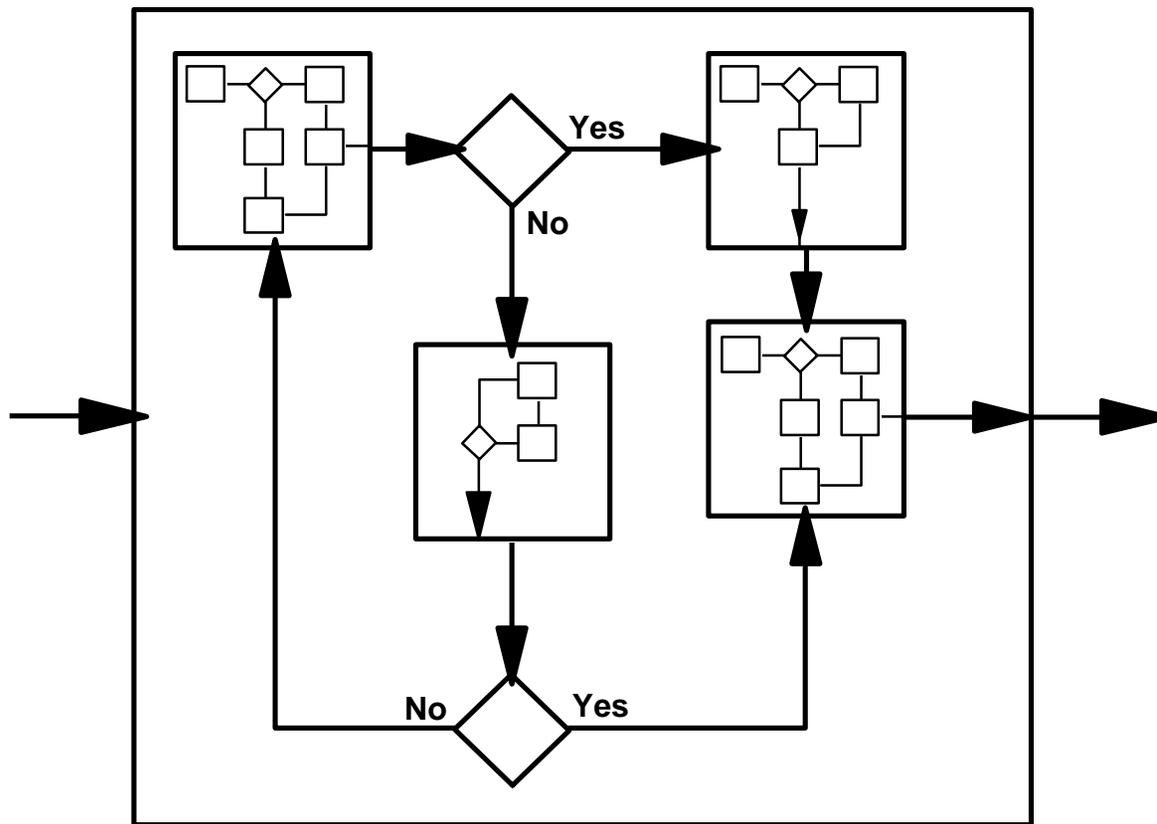
Organization as
a Black Box



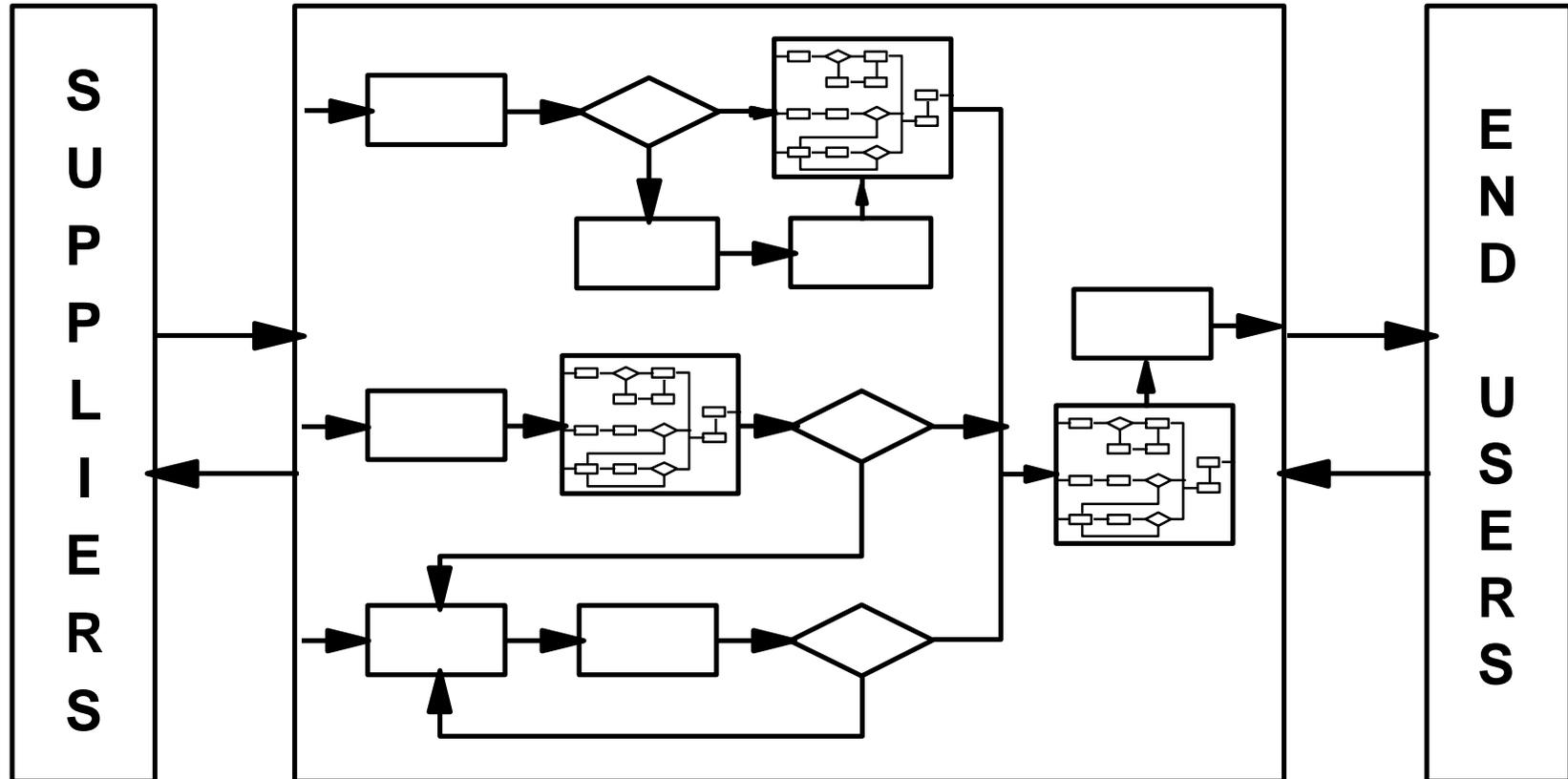
Organization as
Bits and Pieces
of Knowledge



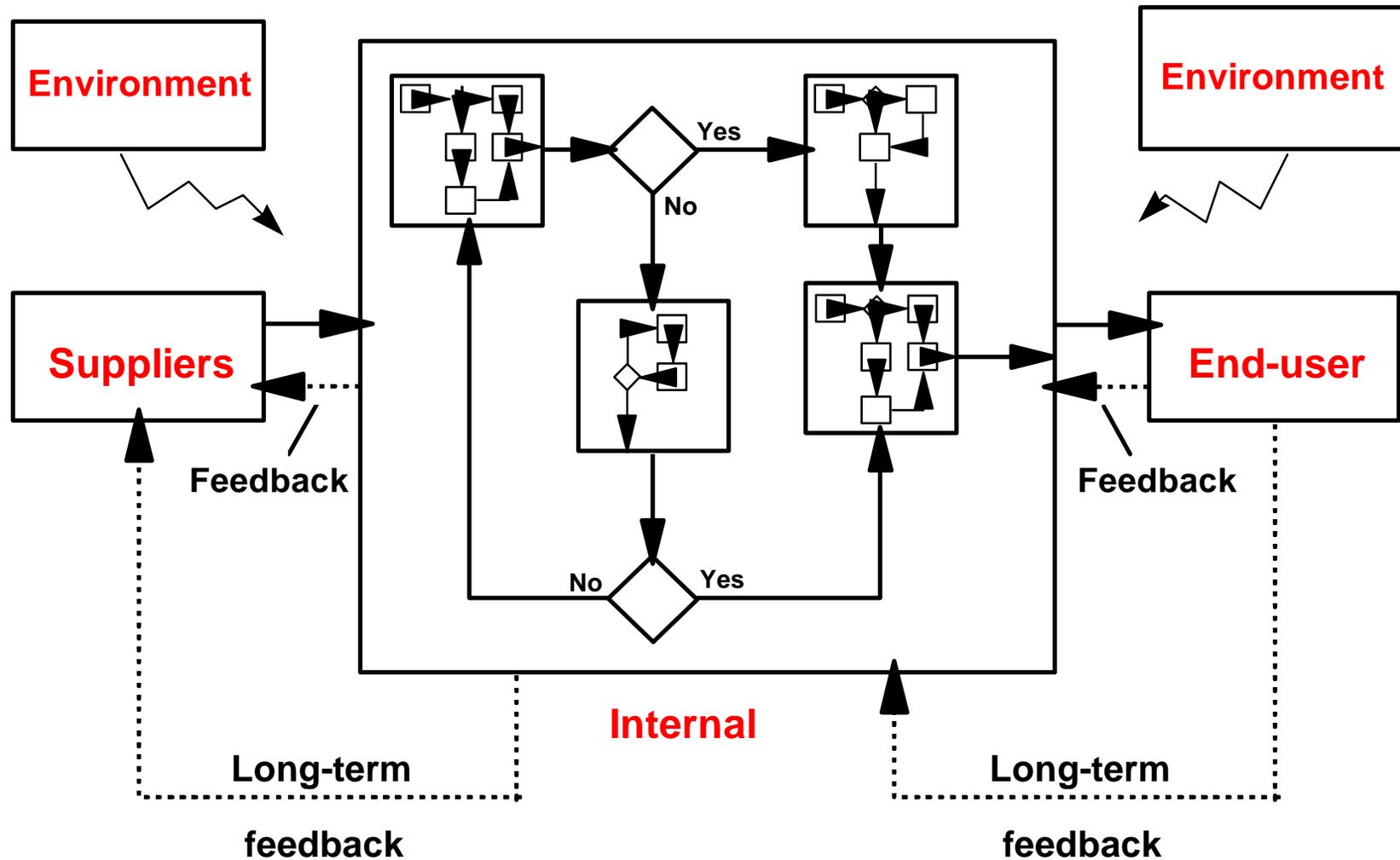
The Organization as a System, Subsystems, and Processes



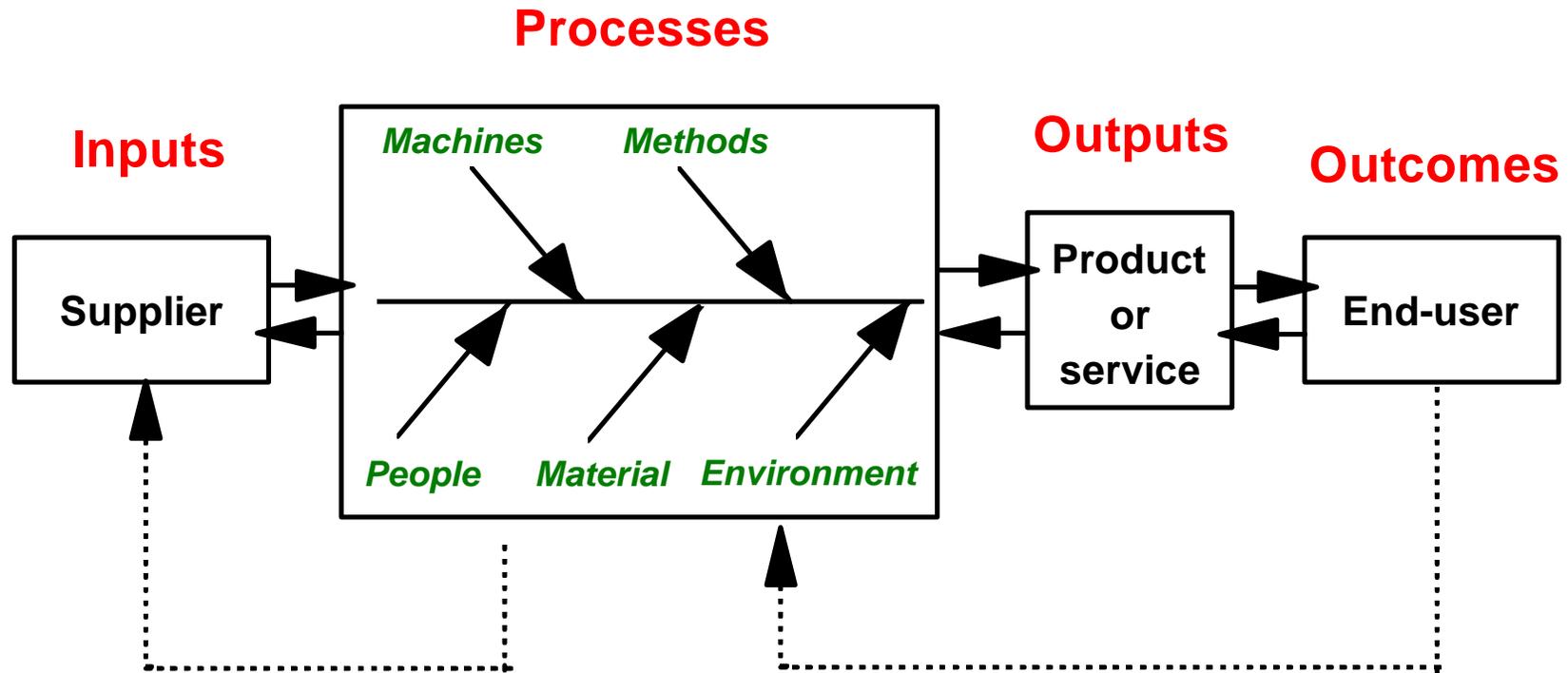
Extending Outside the Organization



Stakeholders of the Extended System



Measures in the Extended System



Extended System Example

Suppliers

BUPERS
Pubs/Forms Ctr
Supply Center
Legal
Post Office
Message Center
MWR
DFAS
ISIC

Internal

Employees
Admin
Travel
Transportation
Customer Svc
Disbursing

End-users

COs of Cmds serviced
Active Duty
Retired pers
DON Civs
Dependents
UAs
Deserters

Environment

Host base, local community, DOD
Congress, DON, OSHA, EPA, BRAC

Personnel Support Detachment (PSD)

Measurements in the Extended System

Suppliers

BUPERS
 Pubs/Forms Ctr
 Supply Center
 Legal
 Post Office
 Message Center
 MWR
 DFAS
 ISIC

Internal

Employees
 Admin
 Travel
 Transportation
 Customer Svc
 Disbursing

End-users

COs of Cmds serviced
 Active Duty
 Retired pers
 DON Civs
 Dependents
 UAs
 Deserters

Inputs

Change info fm
 svc mbr
 Docs fm svc mbr
 DK training
 Computer access

Processes

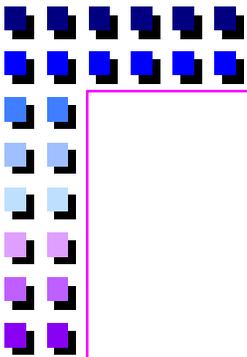
Accurate processing
 of SDS changes
 Corrections to ECCO
 system w/in 3 days

Outputs

Correct check
 issued on time
 Correct direct
 deposit by
 payday

Outcomes

Timely service
 Accurate pay
 Accurate prsnl svcs
 Accurate travel svcs
 Flexible transport'n
 Responsive to needs
 Courteous service



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)