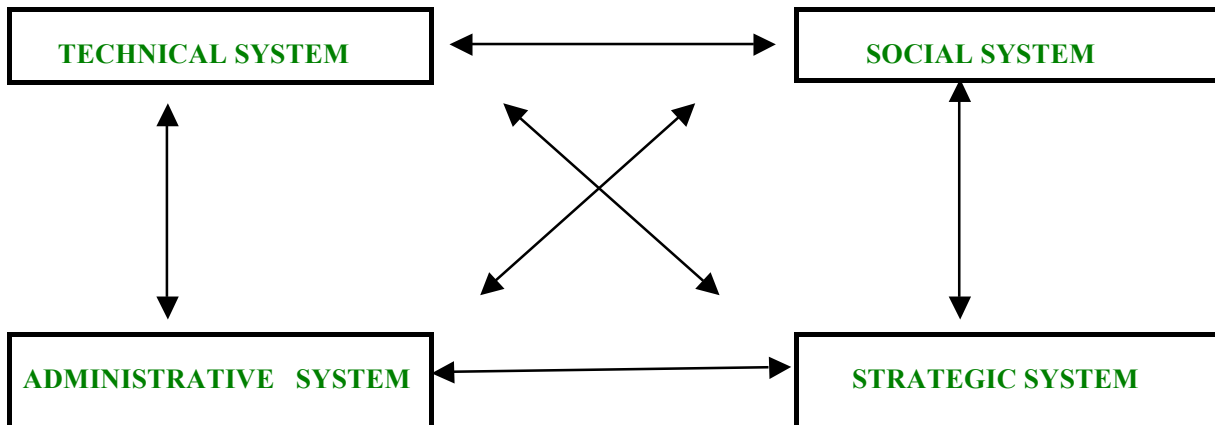


## FOUR KEY SYSTEMS OF AN ORGANIZATION

Karl Albrecht's systems approach is the starting point in this paper. There are some revisions and additions to that work. Albrecht views an organization as a total, integrated system that is made up of four subsystems.



**The Technical System** -- Includes resources and the arrangement of those resources in the central process of the organization. The central process is directed at fulfilling the primary function of the organization. This system includes: the people directly involved in producing and making available the product or service, the primary facility, capital resources, raw material, the steps in the process of creating and delivering the product or service, operational methods, and standards of performance.

- **Key Measure: Productivity** in terms of the primary function.
- **Dimension of Health: Innovation** as seen in the practice of encouraging people to seek better ways for accomplishing results; tools, methods and, processes that facilitate innovation; rewards for innovative thinking and work; a broad interest in finding better ways in all aspects of the organization's life.
- **Related Management Competency: Problem solving** as expressed in the ability to think logically and flexibly and help others do the same.

**The Administrative System** -- Provides information that allows management to assess the overall health of the organization; helps everyone understand what is happening in the organization that influences them; and provides clear expectations. This system includes the processes and structures which enable an information flow that is timely and provides accurate and useful information. This system may include: system assessment tools; a feedback process that gathers concerns and improvement proposals; routine pathways in which information flows, routine media; and the people, facilities and equipment that are involved in information flow.

- **Key Measure: A response time** that moves information reliably, accurately, and quickly.

- **Dimension of Health: Adaptation** as shown in the organization's ability to plan and follow through on information.
- **Related Management Competency: Administration** as seen in developing and implementing structures and repeatable processes that help people communicate.

**The Social System** -- Includes everyone that belongs to the organization; the organization's values, norms for behavior, reward system, climate; how power and influence are structured and used; and the informal communication network.

- **Key Measure: The Quality of Work Life (QWL)** as expressed in practices and values that improve the well being, sense of satisfaction and commitment of people.
- **Dimension of Health: A process of graduation** in which the organization identifies and develops its future leaders.
- **Related Management Competency: Leadership** that facilitates people in moving toward the organization's vision, values and goals.

**The Strategic System** -- This is the steering function of the organization; the capacity of the organization to set a direction and navigate in that direction. It includes: the managers and others related to the strategic task; the processes of diagnosis, envisioning, planning, and implementing; the relationships, forms of accountability and collaboration, and values of leaders about power.

- **Key Measure: Management strength** as seen in the mix of skills that allow the organization to deal with changing conditions and opportunities and carry out the primary function.
- **Dimension of Health: An evaluation process** that regularly assesses the functioning of the organization and the environments in which the organization exists.
- **Related Management Competency: Strategy formation** in thinking through issues -- of purpose; the impact of trends and forces external to the organization; the organization's strengths, weaknesses and limitations; opportunities; and the direction to take that will help the organization adapt to the changing environment while acting effectively in its purpose.

Robert A. Gallagher, 1993