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## EFFECTIVE LEADERSHIP AND QUALITY: PORTAL FOR THE IMPLEMENTATION OF THE FOUR ELEMENTS CONCEPT LEADERSHIP-XEROX CASE STUDY

**Abstract:** Any organization that wants to meet the demands of the market must continually promote the concept of quality management and as a basis for efficient operations and better market positioning. A key role in this is that effective leadership should be open, with a developed emotional intelligence, transformational oriented and high performance in all phases of the implementation of quality, which are provided through the four elements of the concept of leadership: vision, mission, purpose, values and veovanjima. In this paper the case study company through an ambitious program of Xerox leadership "through" quality.

**Keywords:** Effective leadership, quality, elements of the concept of leadership, efficient operations, market positioning

### 1. INTRODUCTION

End-customer satisfaction through the exercise of market potential for each company is imperative, and its ability to meet the needs of internal and external customers while ensuring an adequate profit. The competitive position of companies is built on continuous improvement and quality of leadership competencies through all three phases of implementation of quality: the preparation of implementation, planning and implementation of the concept of total quality, in a manner that is consistent with the defined strategy development and organizational capacity and the available material and human resources. Effective leadership is a conceptual basis for the preparation, planning and implementation of total quality in companies that have a sense of strategy, which means that the leader in complete accordance with the direction in which his company is trying to focus. Some ideas about where and how

the company wants to give confidence to compete not only the leader but also to all employees.

Therefore, effective leadership starts from the top companies of its vision and mission, which is complementary to a defined strategy and the quality that assumes certain competitive advantages that provide market opportunities and business profit. Effective leadership is, in fact, the situational model, and when the word on quality focuses on the effective implementation of processes that encourage employees, offering them new values and opportunities. The company is efficient and effective because it is the right thing, the right way at the right time and right place. With effective leadership and quality there are three basic levels: the level of corporations, businesses and the level of operational or functional level. The leader must ensure an easy flow of information through all three levels and to provide a fairly free hand, and greater engagement at all levels (not infringing on

the basic parameters and competence at all levels) and at the same time coordinating key competencies from one state to another.

The effective leader in the effective implementation of quality to resolve the dilemma: on the market to place its products and services, how to fight in these markets, how to organize work in order to provide competitive advantages to improve performance at all corporate levels, and that vision is to be achieved. These are key questions that seek answers and solutions of which are adequate to maintain the fundamental market position of the organization.

## 2. IMPLEMENTATION OF QUALITATIVE CHANGE THROUGH EFFECTIVE LEADERSHIP

The concept of effective implementation of quality leadership must ensure the implementation of the following processes [1]:

a) **Development and presentation of the documented vision.** For successful teamwork in the company, not just when it comes to quality, it is essential that the leader express his values and beliefs through a clear vision that will be available to all followers, and that will be achievable in a timely manner. Written publishing vision allows followers to fully understand the objectives that the company set in the future: meeting the needs for quality products and services, competitive competitiveness, marketing mix concept, relationships with stakeholders, customers and suppliers, etc..

b) **Development and publication of transparent and effective strategies and appropriate plans for its implementation.** To develop appropriate business strategies need to in the documents but it is compatible with the vision of the company, including market positioning strategy based on quality

improvement and plans for its implementation. As we said, we can distinguish three basic levels of strategy: corporate level, company level and operational or functional level [2]. The choice of strategies and plans depends on several factors, external and internal, and task leaders to respond by placing limits on how to overcome them. To achieve this it is necessary to encourage followers to successful participation in all stages of change and application of methods and techniques of quality. The critical factors and determine the nature of diversification success or failure of the chosen strategy. Many companies are trying to cope with the uncertain future by using the planning system, but often, the planning system is the ritual of a company that often leads to the creation of unrealistic goals that do not conform to the performance of the company and rarely lead to realization. It is therefore very important that the strategy is clear, with appropriate plans and in accordance with a defined mission enterprises.

c) **Identifying critical success factors and critical processes in the enterprise.** Critical Success Factors (CSFs) the business of sub-goals that influence the achievement of the defined mission. Key role in identifying critical success factors are the business processes of the company. Starting from this leader brings different set of decisions and activities that are directed towards the quality of processes. Very often in practice using Six Sigma concept, which is an instrument of strategic importance to the leadership competencies and which allows the analysis of business models of companies from process perspective. Certain changes in the activities that seeks to direct the process as a result of new demands and new needs [3].

d) **Overview of management structure.** As we develop and document the vision and mission, company strategy at all levels, critical success factors and

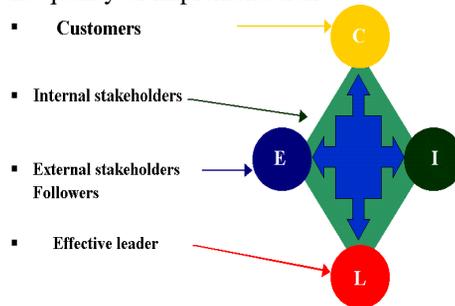
key processes that are essential for quality policy is necessary to amend the existing organizational structure or amend or adjust the performance of the new organization. In Figure 1 shows the process that has a time dimension, and that the turbulent environment must not be longer than 6 months, in the opinion of the author, who spent a long time in the economy and practically met with such situations. In order to change the organizational structure is necessary, at the stage of defining a vision to achieve adequate coalition, that accept a new vision, strategy, critical success factors and new understanding of quality, looking at the forces that "push" changes in the organization, the complex processes that can successfully be if managers do not bring "reform capacity" and are not able to mobilize and emotivisu members to follow them, without resistance and hidden frustration [4].

The experiences of some companies, especially in developed economies, are in favor of the thesis that they are not trained to organize change and show that even a certain amount of indifference to significant events in their environment, that it does not possess the necessary capacity to learn to accept the necessity of change and to "oppose" tendencies that have established that haemodynamically unstable and difficult to destroy the company, to be brought into a state of maximum entropy, which, strive all systems, even independent of the degree of organization and organizational stability of certain parts of the company [4].

**Figure 1. Processes and links with the organizational structure**



To do all this, there would be no change management organizational structure involves several different processes, activities for the maintenance and development of enterprises. First of all, the construction of the inverse structure in which customers are at the top of the organizational pyramid. This requires the creation of organizational structure in the shape of a rhombus, so called. diamond model shown in Figure No. 2 Diamond model is composed of two pyramids which are connected by a central line. Below the middle of a rhombus are all the employees deployed in more than one line, and at the bottom of an effective leader. There are also external stakeholders and interested in the quality of implementation.



**Figure 2. Diamond model of organization**

In the upper part are internal stakeholders who work in the field of supply chain, distribution, warehousing, sales, service, warranty, etc.. All participants participate in achieving quality, guided their own positions and interests in relation to achieving customer satisfaction and profits. This type of organization was used in the world at large companies, like Xerox, which will be analyzed in the case study. Finally it should be said that in this structure appears and the "CEO" - chief executive officer - who is subordinate to the effective leader.

e) **Encouraging employees to participate effectively.** Success in implementing the quality and implementation depends primarily on the

ability of effective leaders to gain trust, respect and support of followers. To accomplish this it is necessary that the leader establish an efficient system of communication throughout the entire organizational structure, and efficient communication system with the environment, suppliers, customers, financial institutions, governmental agencies and others. Complete success depends on the willingness of followers to accept the cooperation and leadership positions and to participate in the implementation of quality systems. Decisive role of mutual trust has been created to serve the purpose of implementing the changes, especially if they are radical and drastic consequences.

### 3. CONTINUAL IMPROVEMENT OF KNOWLEDGE AS A BASIS FOR THE IMPLEMENTATION OF QUALITY

The effective leader has a role in the implementation of the quality of that achieved in the continuous process of improvement of knowledge, and therefore the values of individuals and workgroups. Starting from the fact that by upgrading skills improve overall performance of the company, particularly its market position, naophodno improve and enhance the capabilities and align them with new needs, requirements and expectations through innovative products and production methods of management through research studies to ensure greater commitment knowledge, innovation and quality of human resources. Variations in the economic situation will inevitably affect the organization as a consequence, the need to change the efficiency of all its parts [5].

The learning process should be organized, professional, financially supported by the organization and because we have entered into the information and technological age, in some inventive way

in accordance with the progress of the changes required. Knowledge must be built into products and services, as intellectual capital and enhance knowledge and understanding of consumers among the most important outputs of the process of knowledge conversion. Learning processes clearly indicates that knowledge management requires information, knowledge and people as the basis of inputs, and application of knowledge and intellectual capital as the desired output [6].

The very process of knowledge management and quality, according to some authors, is not a new concept, but a new structured and supported by new technologies of their resources and equipment [7]. One of these new methods and training of employees who participate in creating the success and quality of enterprises through training evaluation, planning and implementation, checking and corrective action (EDC). Importance of training staff consists of several phases: assessment, planning, implementation, verification and correction. Such participation allows the company continuous improvement, high performance and good market position. In Figure 3 shows the process of continual improvement of knowledge, quality and success model based on EPDCA.

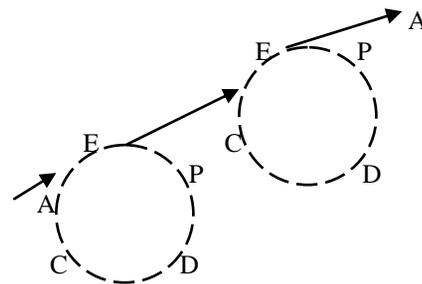


Figure 3. Continual improvement

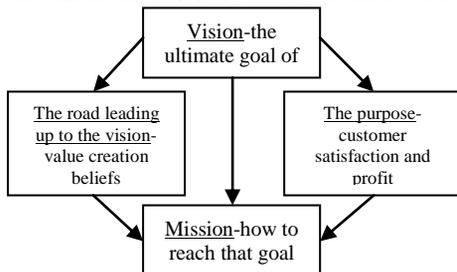
Based on the training may be made specifying the sections of the state achieved results in improving quality, and on which an effective leader can assess

their own position, and success at the time present state. Since the training process of continual improvement of quality and knowledge necessary to perform regular checks and corrections in the intersection points of time and impose a continual success or failure of the mission and vision by the leader of the pre defined process of redesigning the organizational structure.

Practice has shown that they always achieved appreciable progress in the plane of the material transactions, and smaller steps in redefining the organizational culture and leadership form, progress and behavior. The simple fact that it is easier to redesign organizational processes, rather than the behavior pattern of individuals and teams, given the Nejni on the values, attitudes, beliefs and norms [3].

#### 4. ELEMENTS OF LEADERSHIP CONCEPT

Each company must within a defined vision of the leader determines the core values and beliefs, their own purpose and mission, and that all should encircle the new quality philosophy that wants to achieve. In Figure 4 shows the elements of leadership concepts, which are connected, and form the basis for action in the future.



**Figure 4. The four elements of the concept of leadership: vision, mission, purpose and value beliefs**

By placing the situational leadership model, as the election commitment of leaders, provides a starting point for organizing and implementing a set of different activities and business activities. The situation analysis based on the

existing vision and values of the existing need in the future to evolve into a new concept and situational model. For this project must be engaged all employees in order to implement successfully. The vision of a leadership philosophy that determines the ultimate goal of leadership, and the mission is the path that leads us to that goal, and it serves to translate the particular operating condition, the goals to be achieved, the desired performance under different organizational capabilities and limitations, by nature Creates a broad leadership philosophy down to reality, to something that is objectively possible under given conditions [3].

Based on the simplified matrix Hersey - Schermerhorn situational leadership model, given by Thomas Foster, a leader who "taught" to the correct diagnosis and apply the appropriate style of leadership. Then it becomes an effective leader who is able to perform each of the four techniques (sales, stories, participation and delegation). It should be noted that different techniques are an effective leader should use the same successor in different situations. Foster is a simplified matrix technique" price" substituted effectiveness [8, 9, 10].

The leader should be to strengthen the values and beliefs when it comes to change, because it is a path leading up to the vision and provides the creation of an effective coalition for change and reduction of resistance of resistant forces who believe that change is unnecessary. The effective leader should:

- a) has a clear vision of quality where quality plays a dominant role in achieving the ultimate goal,
- b) develop values and beliefs in accordance with the cultural requirements of the quality of the followers,
- c) implement the values and beliefs on personal example, through social interaction and behavior of concrete, and
- d) develops mission through

innovative programs, creative participation and quality of the implementation process.

Arts leaders have a key role for effective quality management concept and application of the four elements of the concept of leadership. Every successful leader must possess the ability and disposition to be high in communication, because communication skills are considered most important characteristics of leadership and personality that wants to become a leader [11].

In his research, which are related to this paper, the basic assumption is that by the leadership does not depend exclusively on the characteristics of leaders, but from his behavior. This applies to the case of effective leadership and its relationship to quality. Often starts from the premise that leadership can be learned and that leaders can educate. We will not go into deeper analysis of this way of thinking about leadership, because there are different understandings: that leaders are born and are born leaders, and educate. Code of Conduct leaders can learn ways of communication, motivation, participation, delegation, planning, control and subordination, but basically the leaders include certain genetic predisposition for leadership [12].

In Figure 5 shows the key elements of creation and the creation of culture, which should correspond to the requirements of quality, new business concept and mission of Leadership, which depends on the unity of all subjects participating in its creation and leadership skill to position itself in the central area of organizational values , given that the culture of the company formed from the beliefs of norms, behaviors, values, roles and attitudes.



Figure 5. Stvaranje i kreiranje culture

## 5. LEADERSHIP STYLES IN VARIOUS STAGES OF APPLICATION OF QUALITY

Leadership needs to be effective in the development and application of the concept of quality and it is therefore necessary that a differentiated approach the various stages of implementing the chosen philosophy. **The preparation** phase is characterized, as it involves gathering followers and social groups on the platform of change and the efforts of leaders to present a clear vision and gain the favor of his followers. It achieves wide scale communication process in which information, persuasion and indoctrination has a special role.

If we look at the basic level of organization leadership motivation for improving quality, adequate use of resources, refers to achieving better efficiency and reduce costs. Depending on the type of activities and products, cost structure and production impact on the quality of each type of cost is different [13].

Relying on its own initiative, personal power, referent power and confidence gained in the past, effective leader in the preparation phase must examine, starting from the type of business products and

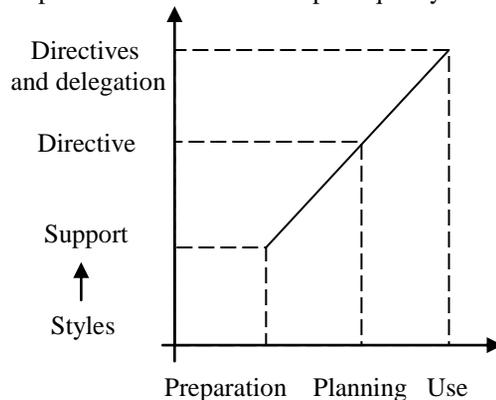
services, all the repercussions of their decisions on the future quality. It is especially important to correctly determine the effective leader of the essential elements of his power that is in the social structure and the corresponding relations with individual social actors. The leading power is, precisely, defined as the capacity of certain leaders to overcome the resistance of other social actors in order to achieve the desired goal, as a form of coercive control, or power index, which is obtained by comparing the effects of different persons, or as the ability to maintain its control of social behavior of other actors. For the authors there is no doubt that without the realization of this effect, which we defined, the effective leader would not be able to fulfill his role in the implementation and application of quality at different stages of structural changes in enterprises [14].

Leadership action is based on the support of followers, the choice of alternatives and share the risks, which are linked to new business projects. In the **planning** phase is dominated by a combination of directive and support, given the need to develop different sets of plans with more organizational level enterprises. The **implementation** phase is dominated by a combination of coaching style and a clear directive, especially at the stage of application of certain methods and techniques of quality. The paper shows that the author relied on a lot of situational model Paula Hersey, who is responsible for its social, ethical, empathetic, and especially marketiskim quality-oriented approach came up as necessary components of market success and customer satisfaction, on the one hand and making a profit, on the other. For the organization is particularly dangerous leadership style that Jean Lipman-Blumen defined as **toxic leaders**. The organizations often create toxic leaders who are staunchly loyal followers, although they are destructive to

organizations, their employees, and if the politicians and their people. Lipman-Blumen argues that these leaders appeal to followers of the deepest needs, playing to their fears and fears for their safety in respect of providing permanency zaposlavljanja and desire of followers who have noble intentions toward the company. Often followers willingly become insiders, they would be in the middle of the action and subject to manipulation of toxic leaders. Toxic leaders create their own myths and interalizuju controlled by the social groups using the crisis in the company and increasing fear and longing for followers of a charismatic leader who will solve all the magic wand. In this way, the followers of the toxic zaglibljuju in wetlands management, from which it is difficult to reform, oppose or release of toxic leaders from the organization.

Toxic leaders can be charming, manipulative, but very often deceitfully harassing followers weaken their will and eventually destroy them. For each organization and its employees is of surpassing importance to recognize and identify the leaders who have the germ of this toxicity in the framework of its "noble" vision before it's too late [15].

Figure 6 shows the leadership styles in the preparation, planning and implementation of the concept of quality.



**Figure 6. Leadership styles in various stages of application quality**

In a theoretical sense, this conceptual separation facilitates the process of analysis, although it will be in each particular case, express certain combinations and styles of used simultaneously their use as appropriate. Certain deviations from the general model in accordance with the variation of conditions and practices that are applied [3]. However, the author of the paper considers the basics of situational model Paul Hersey, with possible variations, can be used as the backbone of leadership styles and roles: directive, training, participation and delegation, or the connection from the autocratic style in the early stages of the democratic style in the final stages of implementing the model quality.

## 6. CASE STUDY: LEADERSHIP THROUGH QUALITY-XEROX CORPORATION

Effective leaders of their commitment to quality can not be expressed only verbally, but the commitment must be accepted and established within their companies. Desired ponasalja and activities through experience, symbols, explicit behavior and learning will show that the effective leader dedicated to quality and the application will have a positive effect on his followers. This commitment is expressed through and permeates the entire company, which include the categories of behavior [16]:

a) **Signalling** - statements that support the vision of quality, positive impact on satisfaction and customer satisfaction. As an example: "The customer is always right".

b) **Focus** - every employee has to know the company's mission and their part in its achievement. For this group it is particularly important behavior of leaders and their reactions in the implementation of quality, because it is a sign of whether

or not it supports the vision of leadership. For example, leaders relaxed attitude to competition, in the case that all functions of the system is set, a positive effect on the reaction of followers.

c) **Policy staff** - followers of the clearest expression of views via the policy pursued towards them. Awards and advancing the status symbols of a positive influence on the acceptance of quality as an expression of market orientation of the company.

Xerox company using the "Leadership through quality" is based primarily towards customer satisfaction as the priority of the company, which is a prerequisite for changing its overall culture. Redefining quality as a process in meeting customers constituted a new company strategy. It also changed the style I was managing a company from an authoritarian to a democratic and participatory [16].

As a result of all these changes in relation to the quality of the company in 1989 won a national award for the quality of Malcolm Baldrige, who in 1987 was awarded to U.S. companies to implement quality materials to produce, direct the work of producers, production conditions and other factors that influence variations in product quality.

In 1984. year, Xerox has begun implementing an ambitious program "Leadership through quality". The training program lasted five years and invested 125 million dollars. At the beginning of every employee had the 28 hours of training in identifying and solving problems in the field of quality improvement. During the process a idea to seek professional services of the leaders in the field of quality as well as companies that have adopted TQM principles (Motorola, General Electric, TRW, Toyota, etc..). Process improvement project, which is implemented for solving the problem have led experts-trained managers who have the title of Black Belt. The Xerox is concluded from the

information obtained from our own experience, that every company must create its own strategy and to its own resources and carry out appropriate policies promoting quality in all segments.

The four core principles the company has emerged as priorities:

- The satisfaction of end customers;
- The realization of profits;
- The penetration of existing and new markets and
- Commitment to quality workers and followers.

Xerox has defined the following core values espoused by the company:

- Own success through the satisfaction of end customers;
- The quality of distribution and superiority in all areas;
- Providing planned rate of profit;
- Constantly innovating technology that provides a leading position in the market and
- Continuous process of education of all employees.

Xerox has identified its own capabilities to achieve a higher level of quality: the change of behavior of followers (manager), the formation of teams for the transition, staff training, reward and recognition system, new information and communication system and the necessary tools and processes.

Have used the following tools and processes in the program "Leadership through quality":

- Training in solving potential problems in processes and communication mix;
- Benchmarking approach;
- Resolving conflict cost;
- Evaluating the quality of products and processes;
- The application of statistical process control and
- Promoting a homogeneous organization through linking all processes

in general.

Xerox company has also used a questionnaire system for its customers from whom it could determine what the needs and desires of customers and how many are willing to pay for better performance of the product. Formation of special teams (over 7,000) worldwide was considerable Saving energy (more than \$ 100 million) through shortening the production cycle, the introduction of standards and measures for improving processes and commitment to ensuring "zero defect".

Direct result of quality improvements were 78% reduction in defects per 100 machines and 20% reduction in time spent on maintenance [17].

Strategic Management of the company upon completion of the implementation process "Leadership through quality", he could state the following results: 40% of the reduced processing, reductions were made in the work and reducing the consumption of additional material, was promoted to product quality and increased customer loyalty. Already in 1993 the Xerox managed to reduce the cost per unit product for more than 40% and set standards for other competitors that have very high performance.

Xerox has successfully carried out the planned tasks and starting the system by applying TQMa as follows:

- TQM process "flows" from the top companies and is acceptable for employees in the manufacturing process;
- organizations through the implementation of learning systems and TQMa change its culture and values placed on a higher level;
- To accomplish TQMa need effective leaders who participate in the process of participation with their followers in the creation of new quality strategy and expressed readiness for mutual learning at all stages of the process;
- TQM is acceptable to the followers and the employees if they have

the support of effective leaders and believe in its vision and mission, accepting the mission as part of their mission in pursuit of higher performance of the corporation.

## 7. CONCLUSION

An effective process of managing with quality, based on realistic planning methods and pace of implementation of selected effective leader involves its incorporation into the strategy of the company that fits the goals, vision and mission, by prioritizing core business processes on which the success in creating the appropriate value for the market and customers, and through the systematic

inclusion of employees in decision making and implementing decisions. Improving quality involves the development of knowledge and the ability of social actors to adopt and implement the requirements of quality, expressed through standards, orders and procedures.

The company needs to measure the performance of all organizational processes and staff performance and to compare them with expectations, to respond to the question of whether they comply with the organizational vision, goals and strategies in relation to the best in its class, the activity that is specific, from the point possible choices and market positioning.

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