1. INTRODUCTION

“It is a terrible thing to see and have no vision”
-Hellen Keller

Indian markets were insulated from global competition till the early nineties (Gullapalli, 2009). Often the consumer would have to wait for long periods for even mass consumption goods like wrist watches, cars or two wheelers. Indian Markets were typically sellers markets. This resulted in most of the goods and products being offered and serviced in a way where the consumer had little choice.

Arvind Virmani (2009) talks on India moving from import substituting industrialization to export promotion and thereon to import liberalization in the 1980s. This led to added choices for customer. He further talks on how the effect of government policies led to emergence of competition and how the reforms story relates to the re-establishment of the freedom to compete.(Hashim, Kuman, & Virmani , 2009).

Competition was an emergent factor of several forces like globalization, but primarily from government policies from 1990s onwards.

At that time HPCL about 25% in MS (Petrol) and 23% in HSD (Diesel) of the Indian Retail Market and were the second largest integrated marketing and refining company in India. We were also a Fortune 500 company.

1.1 Opening up of the Oil Sector and APM Dismantling

APM or Administered Price Mechanism for the Oil Sector ensured consistent and to an extent assured profits for the oil sector. It was dismantled from 2002 by the Government of India (Vijayraghavan, 2002)
The removal of APM ensured a level playing field for the private sector and ensured that oil companies would earn profits and survive while competing on price, quality and service to the customers with some of the most well-known private and multi-national brands. The Gazette notification quoted above read as under.

The Government of India have now decided to grant authorization to market transportation fuels, namely, MS, HSD and ATF to the new entrants including the private sector, after taking into account the recommendations of the Report “Indian Hydrocarbon Vision – 2025”.

The guidelines for granting of authorization to market transportation fuels are given below:

As per the Resolution of the Government of India dated 21st November, 1997, companies owning and operating refineries with an investment of at least Rs. 2,000 crore or oil exploration and production companies producing at least 3 million tonnes of crude oil annually, are entitled for marketing rights for transportation fuels (ibid).

1.2 Imminent Competition:
The scenario altered in the nineties with the initiation of the liberalization and globalization process. Competition from global brands, Multinationals setting-up shop in India, Private players getting into arenas previously reserved for Government or public sectors brought in competition and compelled existing companies and enterprises to look at prevalent fundamental business assumptions and their functioning styles.

Due to consistent profits over the years both by the upstream and downstream companies the market, the market was attractive and when the government talked of APM dismantling in the 2002 the time was ripe for large scale entry of local Private Players and Multinationals in the exploration, refining and marketing of Petroleum Products.

Some of the important news items are quoted below:
Shell India has plans to set up around 2000 retail outlets spread across the country and their preferred source of supplies will be domestic refineries. (Shell website - 2004)

British Petroleum and HPCL in refining and marketing JV in India

BP and Hindustan Petroleum Corporation Limited (HPCL) reported that they have signed a letter of intent to form a 50/50 strategic joint venture covering the refining and marketing sector in India. (Hindu Business Line, 2005)

There was news that Reliance would set up 5489 Petrol Pumps (Business Standard, 2002)

To an existing downstream company like HPCL entry of Reliance, Essar Group, Shell, BP in the marketing and refining section was impending competition. Their combined financial and operation might, were substantial and significant, and posed threat to the future of government operated oil marketing companies. Added to their financial clout was the private sector's and multinational’s focus on customer service which posed immediate threat to market share of government owned oil and gas companies. HPCL had experienced the impact of Shell outlets at Bangalore and the customer pull they seemed to have.

1.2 (a) Fear, Anxiety and Low Motivation:

Move to Privatize HPCL:

There was a move for privatization of HPCL in 2002 and the same had occupied news space repeatedly. Some of the news articles are quoted below:

“The Reliance group's attempt to conduct due diligence at Hindustan Petroleum Corporation's refinery at Mahul near Mumbai was stymied by employees opposing the move. Reliance executives were not allowed to enter the refinery premises and had to turn back though the HPCL management tried to intervene” Source (wwrediff.com/money, 2003)

Times-Now website reports as under
NEW DELHI: Exploration firm Oil and Natural Gas Corporation (ONGC) on Wednesday said that it was interested in bidding for Bharat Petroleum and Hindustan Petroleum and demanded equal opportunity to participate in disinvestment of the state-run retailing companies.

"We are seriously looking at opportunities (in BPCL and HPCL). We expect the government will provide us equal opportunity as any other oil and gas company in the (disinvestment) process," ONGC Chairman and Managing Director Subir Raha told reporters here (Timesnow, 2002)

Impending Privatization of HPCL also brought in anxiety in the people and they resorted to processes like work-to-rule, strike notices. Motivation levels of the employees were low and they lacked focus on business and organization goals.

There was anxiety in a sizeable section of employees on impending privatization of HPCL. I was deputed at Visakhapatnam to man pipeline dispatch location in view of the strike called by the junior officers. The strike was for all HPCL locations across India against the impending privatisation. HPCL worked as a Government of India Undertaking for about three decades. Maintaining adherence to procedures, conformity to established processes, and continuity to way of doing things were respected traits. Ability to quote manuals and procedures was often a distinguishable attribute of the successful as personally experienced by me. Future did not guarantee the continued success of such competencies. Impending privatization was therefore a compulsion to change.

1.3 Customer Focus a Necessity in the Post Administered Price Mechanism (APM) Scenario:

“With competition having set in, there is a lot of focus on the customer needs. Companies have started offering better forecourt services, non-fuel products at ROs, usage of credit/debit/fleet cards with attractive loyalty programmes to attract and retain customers and volumes. Innovative methods to improve customer relationship are being introduced. With more and more ROs being commissioned and with lowering of per pump throughput, companies may scout for opportunities in non-fuel retailing to enhance dealers and company income levels”. (Planning Commission XI Plan Report, 2006) M/s Shell, the Multinational
Giant, started setting up outlets primarily in the south of India and started cornering very
large volumes per outlet. They had permission to open 2000 outlets which could capture very
large part of the Retail Business.

- Essar and other companies evinced interest including British Petroleum wanted to
  open a Joint Venture with HPCL for marketing fuel. HPCL business with large
  consumers like Railways, State Transport, Mines and Collieries was approached by
  new entrants.

At HPCL Chairman Shri M B Lal who had earlier been associated with Bharat Petroleum as
Director Refineries felt that HPCL employees in light of the increasing competition would
need to move to a mind-set of “Customer is the King”. (ibid, 2004-2005).

1.3(a): The Business Problem

With the people of the organization having worked long in the public sector and used to a
civil service mind-set the change to customer centricity was a challenge. The business
problem we faced was

**How will HPCL cope up with private sector competition and change its employees’
attitude from customer apathy to customer centricity?**

The Chairman, to solve the business problem, commenced the process of co-creation of
vision on the lines of Peter Senge’s concept of the Learning Organization. He created a Team
for Organizational Transformation who would help in the above process in 2003.

In the Annual General Body Meeting of HPCL of 2004-05 he stated:

“Last year I began stating that “Customer is the King”. Our thrust has been Empower, Enable
and enhance the capabilities of our employees to meet the requirement of changing market
dynamics and environments. It is also our endeavor to ensure that all the activities of different
functions are aligned with the overall corporate objectives. The ongoing HR initiatives such
as “Competency Mapping” to enhance employee capabilities and “Balanced Scorecard”
approach to fix performance targets and evaluation are addressing the core of the above
requirements. Encompassing all these initiatives, the organization transformation exercise for
achieving continuous excellence is also progressing well and a large segment of employees have already gone through this change management process”. (ibid, 2004-2005).

If vision commits oneself to the personal growth, co-created vision commits people individually and collectively to organization growth (Senge, 1990). Visions promote the need to build capability and create achievement orientation. (Snyder & Graves, 1994).

Thus, it appears logical for visions to be self-defined and people to be intrinsically motivated for sustainable results and joyful work. To increase intrinsic motivation and achievement orientation HPCL encouraged people to envision the future they willed to create for themselves and the organization. The elements of shared organizational future germinated from the seeds of personal visions.

1.4 Co-Created Vision and Market Share:

In 2003, a team of internal coaches were entrusted with the task of Organizational Transformation. I was a key member of the team.

In the last ten years coaches helped thousands of employees to articulate personal aspirations. From these personal visions people talked of the organization they wished to work in. The process involved hundreds of workshops where thousands envisioned Hindustan Petroleum Corporation Limited’s (HPCL) future. The similarity of the visions for HPCL created by people in hundreds of workshops threw up interesting insights. People when transcend self; think similarly. This simple yet deep organizational intervention created deep engagement in our people as also amid them.

In -HPCL journey of Organizational Transformation - It was realised that Organizational Transformation is people transformation. People transformation means that people think differently, act differently and reinvent themselves continuously. This is also supported by Peter Senge, 1990 –The Fifth Discipline when he says- Organizations do not learn. Individuals learn which results in Organizational learning.
Rarely before, was there any occasion where people could willingly look at such unsure and uncertain circumstances and experience the need to create certainty by articulating their personal and organizational aspiration. People talked about their uncertain future after privatization. They needed to reassure themselves. The crisis of the time accentuated the need for positive personal change and organizational transformation.

The Public Sector companies were losing ground in terms of market share to the private players. But from 2005 the situation started improving on important products which were then the main stay for profits like Petrol, Diesel, Lubricants, Aviation Fuel, Non Domestic LPG. Also important parameters like customer perception on critical parameters improved. The reasons for these changes need to be researched

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1.5 Need for the Study

In this scenario, our top management had a choice. They could either respond to daily crises and put the organization on a continuous alert mode or operate from choice by creating a vision of what they wanted the organization to be.

A conscious decision was then taken that for success to be sustainable we need to work for the future we wished to create rather than work from a reactive orientation of responding to daily challenges posed by competitor moves. The top management thus after detailed deliberations decided to work towards building a shared vision of the organization with employee involvement and participation.

Accordingly in March 2003 the top Management team with the Chairman and Managing Director, all the Functional Directors (including our present Chairman) and all the SBU Heads. In our HP Management Development Institute located at Nigdi near Pune after days of deliberation they created the organizational vision HPCL Vision 2006. The vision is reproduced below:
HPCL VISION 2006

- HPCL delights customers by superior understanding and fulfilling their stated and latent needs with innovative product and services.
- HPCL commands highest reputation and is known for its sensitivity and responsiveness for concerns of its customers and other stakeholders.
- HPCL always acts faster than the competitors in the most cost effective way.
- HPCL is the highest performer in Rate of Growth and Return on Investment.
- HPCL is a Learning and Innovative Organization
- HPCL provides an environment of trust, pride and camaraderie

This vision released huge energy and commitment in the Top team and they repeatedly in the workshop talked about how they felt collectively connected and individually responsible for achieving the vision.

But, this did not guarantee commitment down the line and they realized that the vision to be truly co-created our employees must participate in large numbers. This was a task which was important and critical to the organizational success and therefore needed specific focus by a team created for the purpose.

Therefore, a team of coaches was inducted from various SBUs for implementing the change initiative. The team of coaches after intensive self-reflection articulated their personal visions and values. Thereafter they co-created the organizational vision and their team vision “HP Coaches Vision 2006”.

**HP Coaches Vision 2006**

- We passionately facilitate the process of transforming HPCL into an innovative and learning organisation.
- We enable employees to continuously acquire new skills and capabilities to excel and achieve outstanding business results.
- We as committed role models, help to create an environment where teams align, co-create and fulfil their vision.
• We are a cohesive and supportive team with mutual trust, honesty and integrity; continuously sharing and learning from each other.

• We are a team actively working in a transparent and ethical environment.

It became evident to us that to achieve our team vision of organizational transformation the primary task at hand would be to co-create the organizational vision involving employees from across the organization.

Thereafter, the organizational vision was co-created at the SBU (Strategic Business Unit), zonal and then to the primary business unit level i.e. at the Regional Office level involving thousands of employees of the organization. At each of the above mentioned units the team members first created their personal visions and thereafter co-created the organizational vision, and finally their team visions.

1.6 *Strategizing and Learning Together:*

With the co-creation of the vision people wanted to design a strategy that would help them to achieve the vision. Small groups of junior officers from across the organization, in two of our primary SBUs Retail and LPG with cross functional members (operating at the field level) from Finance, Operations, Sales, Human Resources; Engineering designed a strategy for achieving their SBU visions.

I have been involved in facilitating workshops constituting thousands of people on building personal visions, co-creating shared visions, Strategies and translating strategies into executable form by Balanced Scorecards, The researcher has been both an active player and an observer. The organizational Transformation exercise started in 2003-04 and remains in force at HPCL.

Literature review indicates some work has been done on the importance of creating personal and shared visions and its impact on motivation to learn.

Study in this field e that the researched organizations are small and that studies have not been conducted in a large Indian Public Sector business organization. The nature of oil companies are such that in order to turn around and do interventions large investments are required. Such investments would only be fruitful if people are intrinsically motivated to learn.
Public Sector oil companies like HPCL are also socially bound to perform well since a drop in their performance is not only a loss to the government exchequer, the organization itself but also for the society at large.

In view of the large number of people covered at HPCL involving significant investments of time and money it is important that we study the aspects whether building of co created vision leads to learning needs as also to analyze personally meaningful work encourages entrepreneurial development in a Public Sector company. This study is also justified since this could enable us to understand generic structures of success and replicate them in other big Public or Private Sector organizations.

1.7 Research Objective

The study therefore proposes has the following research objective

“What is the process of co-created vision and how and its relationship to achievement orientation?”