Chapter 2
Chapter 2 -- Literature Review

2.1 Organizational Vision articulation/ Co-creation and Emotional Engagement of Employees on Goals of Choice:

Organizational Vision is a mental model of its idealistic future (Nanus, 1990), a specific destination, a picture of its desired future, (Senge P. M., 1990)), what we deeply care for (Senge P. M., 1990), Bandura, 1997 and what leads organizations to superior performance(Collins & Porras, 1996).

Vision is setting Big Hairy Audacious Goals (Porras, J I and Collin, J, 1996), leaders attract people by articulating a compelling vision and not intimidation (Bennis & Nanus, 2003). Leaders create change if they can define a clear vision and show people how to reach it (Denton, 1997), progress is driven by idealism and optimism from an engaging vision (Nanus, 1992).People need to envision the future they desire and visualize the self-promised land in their mind’s eye. (Black & Gregersen, 2003 ).

Vision is an idealized picture of future(Conger & Benjamin, 1999) action plans for the future (Tichy & Devanna, 1986)a charter of change (Kotter, 1982), a roadmap for people to traverse(Barge, 1994), and an image of what we aspire to achieve (Baum et al., 1998). It has goals of the future, long term objectives and is emotionally appealing and rooted in organizational values (Collins, 2006)is the pivot of change (Helm & etal, 2009), predicts organizational outcomes(Baum, Locke, & Kirkpatrick, 1998)and portrays a future that is believable, emotional attractor, inspiring and qualitatively superior to the present status (Bennis & Nanus, 1985; Nanus & Dobbs, 1999).

There are diverse opinions and definitions. The above shows that researchers broadly agree that vision is a picture of the desired future which people are emotionally engaged with and wish to act on.

2.1(a) Leadership and Vision

Leaders inspire people instill sense of pride in a group by articulating a compelling vision (Boyatzis, et al 2008), which helps set a positive tone in the workplace and brings out the best
Emotionally Intelligent leaders are highly sensitive and connect with the company’s ideal vision and explore to ascertain the gap between vision and current reality. Vision helps with clear future goals (Kuhn, 1996). The power of positive thinking has been often researched. It is important that we think and anticipate future positive outcomes. This contributes to our well-being and also keeps people engaged and people show perseverance while striving for the worthy goals, (Schmuck & Sheldon, 2001)(Sheldon, Ryan, Deci & Kasser, 2004). Research on cognitions and emotions empirically suggest the power of positive cognitions to serve a function in the aetiology of hopelessness(O'Connor & Cassidy, 2007) and transformational leaders stimulate employees by inviting to participate in the organizational vision (Bass, 1990). Vision from literature has been known to create hope and spur action. Hope could replace hopelessness and a feeling of helplessness if organizations involve people in collective visioning and support collective action to achieve the vision.

The literature on organizational vision and Emotional Engagement of employees brings out that employees experience engagement to organizational goals emanating from the vision. The methodologies of such vision creation has conflicting paradigms for e.g. the above literature speaks of transformational leaders who articulate compelling visions and who share their visions with employees as also authors like Senge talk of a co-created organizational vision which has participative vision building by every employee and resulting in distributed leadership. In the co-creation process championed by Senge the organizational vision needs to be preceded by a process of personal visions articulated by employees. Thereafter, the organizational vision co-creation by employees leads to anchoring the organizational vision in the personal vision of the people. (Senge, 1990)

The literature on co-creation of vision and consequent engagement of people is rather thin and has little empirical evidence. Further, no case of co-creation of vision by thousands of employees in an organization has been mentioned in any research of significance.

2.1(b) Organizational Vision, Performance and Longevity

Organizational Vision leads to organizational success and longevity, vision provides the template of growth. (Porras, J and Collins Jim, 1996,), vision needs to be known to every employee to
ensure organization does not self-destruct (Csikzentmihalyi, 2003). Vision helps the management of attention through a set of intentions of goals or direction and this leads to better performance (Bennis, February 2010). Organizations which enjoy longevity are cohesive and share a common identity (Geus, Arie D, 1997). Vision has been defined as the desired identity of an organization. (Balmer & Greyser, Vol 44, 2002) Geus describes organizations which have registered high longevity as possessing a sense of identity and purpose. Research has established that it is important for human functioning and well-being that goals are set. Research has also established that the belief on the possible achievement of goals is related to self-worth. If people do not believe in the goals that they set and pursue hopelessness sets in. Further research also indicates that if people do not believe in the goals that they pursue they should be encouraged to think of goals in terms of process than in outcome to change the emotional state. (Hadley, 2010).

This is important since there could be non-believers in the vision, and yet the vision led to processes and process outcomes for the people who participated in the vision making for e.g. customer delight in a vision, made people also talk to customer, interact with them, design and implement customer focused initiatives as part of the process and this could have changed their emotional state to happiness and people could have experienced higher self-worth.

2.1(c) Visualization of Goals and Neuroscience

Our minds are powerful instruments and goal setting is programming our minds for focused attention and the process thus sets in a tracking system which enlists the minds natural desire to consciously or unconsciously target and track the goals. Visioning process in HPCL was first people individually writing their personal visions through imagination of their future and then writing it down and sharing it with others. There after they would visualize the future of the organization or their in vivid pictures and then through robust discussions and dialogue articulate the shared vision for the organization and team. Creative visualization is the process where one uses imagination to create an image, an idea of something she or he wishes to manifest. Then we focus on the idea; nurture it with energy till we achieve it by creating positivity, (Gawain, 2002.). Prior research has demonstrated that mental simulation enhances people’s ability to visualize outcomes, thus increasing goal pursuit (Pham L. B., Taylor, Rivkin, & Armor, 1998). Pham and Taylor conducted researches in visualization of outcome and process of achieving outcomes. The linkage to visualization and enhanced results from process visualization emerged clearly. Researchers have increasingly established the linkage of thought to action (Pham & Taylor, 1999, Feb).
Several Studies have validated the power of visualization in achieving desired goals. "If you can truly imagine yourself doing something, chances are you can do it," says Dr. Irene Bell, a sports psychologist. Experts claim that our brains are incapable of distinguishing reality and imagination; importantly once we visualize something, we start to believe that it will occur, (Kemp, Feb 2010). Mental simulation provides a window on the future by enabling people to envision possibilities and develop plans for bringing those possibilities about. In moving oneself from a current situation toward an envisioned future, the anticipation and management of emotions and the initiation and maintenance of problem-solving activities are fundamental tasks (Taylor & et al, April, 1998).

The ability of human beings to regulate behavior and emotions in the pursuit of goal is a focal point of this research and it would be important to explore if similar phenomena arise consequent to shared vision through group visualization in the group members during the pursuit of the shared vision objectives.

The relations among memory, imagination, and future thinking as seen from literature have been researched during the past several years. The connection between memory of the past and imagining the future has led quite a few researchers to suggest that a key function of memory is to provide a basis for predicting the future via imagined scenarios and that the ability to flexibly recombine elements of past experience into simulations of novel future events is therefore adaptive, (Schacter, Gaesser, & Addis, In Press)

Burt Nanus talks of the unique ability of the human species to create mental images of the future and then turn them into reality through action. Outside forces would enable or hinder the leaders’ beliefs and thus reshape the images. The leader’s ability to forecast these forces is thus important. The mental images and expectations would direct the leaders to relevant issues and help her to choose the most desirable future. They leader then conveys the envisioned vision to followers. New realities are then created and enacted (Nanus, 1990).

2.1(d) Linkage to Memory and Imagination to Decision Making:
Memory and imagination as decision-making processes have been researched. It has also been established that loss of memory is associated with deficiency in future thinking. Humans engage in ‘mental time travel’ (MTT), which enables recall of earlier experienced occurrences and
encountered situations. It is also the circuitry which is used to think of the future and which is associated with foresight. There is research evidence that thinking of the future and then planning to achieve it is associated with curbing of natural dispositions towards short-term benefit, opportunistic decision making. (Suddendorf & Corballis, 2007).

The above propositions that visualizing and imagining the future i.e. creating a vision directs future movement, regulates deviant behaviour (which would move us away from vision objectives) as also motivates. The researcher wishes to explore that if this can happen to one, the role collective and personal visioning had with the HPCL executives and teams.

It would be necessary to see if behaviour and decision making is in congruence with the collective desired picture or shared vision and whether there was conscious focus on long term investments rather than working towards opportunistic or short term benefit decision making process.

2.1(e) Vision as a Dynamic Process:
A vision would get examined, revised and updated and helps in building innovative strategies(Nanus, 1996). The gap between the vision and our current reality is the source of creative tension which energizes us to create new realities in the pursuit of the vision. As we progress we revisit the vision and set it higher (Senge, 1990). Vision and Strategy are translated to actionable format with the help of the Balanced Scorecard. The high level and often generic objectives of the vision is translated into initiatives which help us know what to do on a daily basis to achieve the vision objectives. (Norton, Barrows, & Kaplan, Jan-Feb,1998). Once the desired future is achieved or we are close, revisiting of the vision is a natural consequence. An example is Sony.

“In the 1950s, Sony’s goal was to “become the company most known for changing the worldwide poor-quality image of Japanese products.” It made this BHAG vivid by adding, “Fifty years from now, our brand name will be as well-known as any in the world . . . and will signify innovation and quality . . . . ‘Made in Japan’ will mean something fine, not something shoddy.”(Porras and Collins, 1996). Sony went to achieve this much earlier than the fifty years it had planned for and thereafter its vision included values such as being a pioneer and doing the impossible.
This was experienced at HPCL where the revisiting of vision and recreating it depending on the level of achievement SBUs had and also the changing environment and peoples’ aspirations. Also visions have a time frame and therefore are by their very nature transient and open to change. Also they reflect the aspiration of the people and since peoples aspiration are dynamic visions could be revisited for changes as often as people wish. Vision if static and fixed would become dogmas. Belief systems are rarely challenged and vision would cease to be a picture of the desired future in case they are neither discussed nor updated and assume the stature of gospel. Dogmas and belief limit thought and action which is the antithesis of the principles of vision.

2.1(f) Vision, Alignment and Change:
Organizational Change helps us adapt to the environment. The business environment is impacted by technology, environmental, economic, social, political and legal changes. (Kaplan & Norton, 2008). For example General Electric wished to be at the top of every business they were in. GE created a vision which was articulated by Jack Welch in line with the above and GE changed (Welch, 2002).

In India during the year 2002, with the dismantling of the Administered Pricing Mechanism (APM) the environmental challenges of increased competition and internal challenges emanating from mindsets bordering on Customer apathy needed to change to Customer Centric. And change through a shared vision was thought of as the right approach by HPCL Management. The results of the vision would thus need to be explored in terms of new shared mental models of the people and the consequences by detailing the truth as they saw in terms of results.

2.1 (g) Employee Commitment and employee results:
There is further research on how employees’ commitment to change depends on affective, continuance and normative commitments and they are distinguishable. (Herscovitch, Meyer, Stanley, & Topolnytsky, 2002). Affective commitment denotes an emotional attachment and involvement in the organization. This factor has attracted increasing attention as an important precursor of change linked organizational results. Although a great deal is known about the implications of employee commitment for organizations, not as much of attention has been paid to its ramifications for employees themselves(Meyer & Maltin, 2010)(Herscovitch & Meyer, 2001; Jaros et al, 2010).
Charismatic Leadership articulates a compelling vision which sets high expectations. By creating a vision such leaders provide a platform for people commitment to emerge, a common goal around which they rally. Alignment around the vision emerges. The vision needs to be challenging, people must sense personal meaning, and yet achievable to make it credible in the eyes of the people. (Nadler & Tushman, 1994). Senge brought in a model of organizational change through distributed leadership which emerged from a co-created vision and the vision being the desired change fuelled people to learn for the capabilities they would need for the desired change to happen, (Senge, 1990).

Large group interventions would need the participation of a broad variety of stakeholders to clarify important values, develop new ways of working and to articulate the vision for the company. This would move the group to the future they wish to create. For change, organizations would have to set goals challenging and clear goals which would have to ensure good alignment between personal and organizational initiatives. (Cummings & Worley, 2005)

2.1(h) Kurt Lewin Model of Change:
On the basis of observations, Kurt Lewin proposed a three-step process for successful organizational change: unfreezing, moving, re-freezing (Schein E.H.,1992). But the unfreezing would need to be followed up with intended change. Once the intervention creates the change then the organization refreezes in a more effective state than the beginning.

Unfreezing commences from the peoples’ comprehension of the organizational vision that motivates them to change. First, there has to be enough material indicating that the existing organizational state is not ideal. Secondly, this data has to be related to the important goal of the organization, thus causing peoples’ anxious feeling. Then, a solution has to be proposed that will reduce the members’ apprehensive feeling and resistance to change (Schein, 1992).
Schein while explaining Kurt Lewin’s theory of change talks of how learning commences when we receive or realize disconfirming evidence versus our expectations and hopes. His theory also talks on how this disconfirming evidence needs to be connected to something we care about which is termed as the positive visions in Lewin’s theory. Thereafter, we should create an environment of psychological safety so that people can learn and institutionalize the change (Schein E., 1995).

2.1 (i) Change Theories
One of the major theories of change is propagated by John Kotter. Leaders create a sense of urgency and formulate vision and develop road maps designed to capitalize on the big opportunity (Kotter, 2012), vision releases energy in the organization making it more productive and unleashing passion of the people in the pursuit of vision objectives (Heike & Ghoshal, 2004); (Bruch & Ghoshal, 2003) and leads to employee motivation and improved quality of service to customers (Hays & Hill, 2000). Employees perform a major role in the effective or ineffective organizational change, (Kotter & Schlesinger, 1979). Earlier research confirms the assertion that employees’ attitudinal and behavioral reactions to change; play a major role in its success. Another important research finding is that individual employees’ change-related attitudes and behaviors are related to post-change organizational performance. (Kim & Mauborgne, 2003; Robertson, Roberts, & Porras, 1993).

All the above theories talk on the change as a consequence of employees acceptance to work for a vision that they deeply care for and in our organization HPCL, we had painstakingly worked towards building co-created visions that employee create, care about and therefore are motivated to work for. Since, these hypothesis that the theories talk about have no empirical evidence in a fortune 500 large Public Sector Company, it is necessary that we research how such a large company can commence and sustain a change journey with a vision that is co-created. This research would enable us to look at the structure of vision as a facilitator of change and how it affects the organization and employees.

2.1(j) Self Determination Theory as Enabler of Change:
Deci and Ryan state that “Self-Determination Theory” (Deci & Ryan, 1985) distinguish between different types of motivation based on the different reasons or goals that give rise to an action. The primary differentiator is intrinsic motivation, which means acting on what is inherently enjoyable, compared to extrinsic motivation, which refers to acting on something
which is an expectation set by others. Over decades of research has shown that the quality of experience and performance can be very different when one is behaving for intrinsic versus extrinsic reasons.

Research in the Cognitive evaluation theory suggest that external factors like schedules, promised benefits, external observations and assessments abate feelings of autonomy and change supposed locus of causality from internal to external and weaken intrinsic motivation (Gagne, Maryle Ne; Deci, Edward L, 2005).

Research on cognitive evaluation theory also indicates that people need to sense feelings of competence and feelings of autonomy for intrinsic motivation. It has also been observed that activities which pose an optimal challenge create high levels of intrinsic motivation (L. Deci, M. Ryan, & Geoffreyc. Williams, 1996) (Danner & Lonky, 1981) and feedback which was positive (Deci, 1971). The findings in the researches indicate the requirement of people to feel competent and sense of autonomy for intrinsic motivation and that factors which undermine autonomy and sense of competence decrease intrinsic motivation. Organizations increasingly would need to focus the two factors for intrinsic motivation to occur and help people sense personal success and happiness.

The Researchers propose that affective obligation results from work experiences that create a sense of freedom, which clarifies its strong positive relations with favourable job outcomes, while continuance commitment is associated with external regulation which explains its weak, sometimes even negative, relations with favourable job outcomes. The consequence of commitment to organizational results has been well researched and documented. "Studies demonstrate that commitment has direct implications on individuals and an overall impact on organizations. In particular, the extent of employees’ commitment to the organization wields a major consequence on their performance. (Mowday, Steers, & Shapiro, 2004); (Meyer & Allen, 1990); (Meyer & Lynne, 2001)

The impact of the motivational properties of tasks on employee attitudes and behaviors has received considerable attention in recent years (Mowday & Steers, 1977). They reviewed several models of job design that forecast that employees on high scope jobs will report higher levels of job fulfillment and exhibit higher job performance and lower levels of
turnover and absenteeism than will comparable employees on low scope jobs. This indicates that autonomy and choice fuels better performance and fulfillment.

While interviewing a few people we found Co-creating a vision and then strategizing on necessary methodologies provide higher fulfillment and job satisfaction. They would also foster emotional engagement to the tasks. Co-creation of vision and building strategies for action by a group does not record much research. Therefore this gap in literature needs to be explored.

Research also brings contrary opinions to this in a (Beer, Eisenstat, & Spector, 1990) study spanning almost four years it was found that companywide change initiatives with the backing of the corporate did not succeed in fostering desired change. Such programs which had top leadership sponsorship were often looked on as unwarranted intrusions at the local level and failed to deliver. It was termed fallacy of programmatic change. In fact, the finding was rather counter intuitive. The change programs which succeeded were ones which began at the periphery of the organization started on a small scale in a few plants away from Headquarters and led by the local general managers. It was attributed the fact that change is about learning and learning is best at the scene of action and competition and best therefore led by local leaders who are in the thick of it.

The findings have interesting connotations. One of the major issues is how to see that the local units are empowered to work from choice and strategies emanate from their thoughts and knowledge and how the top is involved in providing the resources, wisdom and support which only the corporate can provide. These issues in HPCL change initiative had been largely addressed. But the gap in research is clear in terms of studying when change initiative is supported and happens both from the top and also strategy action initiated on a bottom up basis where the strategy was created by the frontline people.

Strebel (1996) states employees and organizations share a relationship which enjoy reciprocal responsibilities. He terms them “personal compacts”. Corporate change initiatives alter the compacts. Unless managers draw up new terms and coax employees to take them, it is impractical for managers to suppose employees fully to buy into changes. As results all too often prove, dissatisfied people will weaken their managers' authority and well-made plans. However, the researcher talks of observed initiatives in which personal compacts were effectively altered to aid key change. He identifies the common dimensions of the compacts as formal, psychological, and social.
The formal dimension of a personal compact is the most familiar aspect of the relationship.

What am I supposed to do for the organization?
What help will I get to do the job?
How and when will my performance be evaluated, and what form will the feedback take?
What will I be paid, and how will pay relate to my performance evaluation?

Employees determine their commitment to the organization along the psychological dimension of their personal compact by asking:
How hard will I really have to work?
What recognition, financial reward, or other personal satisfaction will I get for my efforts?
Are the rewards worth it?

Along the social dimension, an employee tries to answer these specific questions:
Are my values similar to those of others in the organization?
What are the real rules that determine who gets what in this company?

(Strebel, May-June 1996)

It is interesting to look at how the formal, psychological and social dimension played out when people co-created the vision, collectively formulated the strategy and balanced scorecard to implement the strategy in HPCL.

Change Management in a company often mean new strategic goals like in a merger and acquisition case. Employees may also experience increased workloads resulting from the assignment of new work tasks on top of existing ones, or the introduction of new strategic goals (Schweiger & DeNisi, 1991)

While change is a strategic imperative for employers, it also is vital to note that employees determine the ultimate success of such changes. Negative reactions from employees are adverse predictors as they can sternly hinder the realization of the projected profits of change. It therefore is critical for organizations executing change to better appreciate employees’ negative reactions to change in order to manage results more successfully. Significant amount of research corroborates to the fact that participation in planned organizational change is a long, emotionally taxing, and draining process for most employees (Fugate, Kinicki, & Prussia, May 2012).
2.1(k) Need and Methodology of Communicating the Vision:

While reviewing seven leadership theories that explores charisma three essential constituents that are common across the theories came to light, a) communicating the vision, b) having a charismatic personality and c) steps initiated to implement the vision (Baum, Locke and Kirkpatrick, 2008). This establishes the importance of communication of vision from the literature review.

The Leader must articulate the vision, given it legitimacy and capsule it in captivating language to ignite the imagination of people. “Effective leadership is about moving organizations from current to future states, creating visions of potential opportunities, instilling within employees commitment to change and shaping new cultures and strategies,” (Bennis & Nanus, leader, 2003).

Communicating the vision is the first step to creating intrinsic motivation (Kaplan & Norton, Alignment, 2006)

Lofty visions do not necessarily translate into effective local actions (Kaplan and Norton, 1996). Kaplan and Norton talk about the need for effective translation of vision into daily actionable initiatives. (Kaplan & Norton, The Balanced Scorecard, 1996). Peter Senge et al, (2007) talk of the even without an exact implementation plan the vision can help people join it and make the vision a reality. Leaders who excel in the process of visioning, have complete integrity between talk and action and work to embody the core values and ideas of the vision (lbid.) The author talks about a different form of vision communication which is participative and also talks about the fact that vision needs to precede strategy,(Ancona, Malone, Orlikowski, & Senge, Feb 2007).

Followers need to see a vision to connect with it, which is why the great communicators harness imagery to amplify the power of their message. Storytelling gets much more mileage than fact-spewing. However, the best representation of a vision occurs when a leader embodies it. People sooner follow what they see than what they hear. When a leader is ablaze with passion, people invariably are attracted to the flame, (Maxwell, 2011).

The literature points to two schools of thought on vision. The first school opines that the primary responsibility of articulating the vision lies with the leader. Bass called such leaders transformational. The other school of thought primarily led by Senge (1990) is the need for co-creation of vision as the epitome of visionary process.
The different stages of an organization in articulating a shared vision are defined by Senge. He recommends us to objectively assess which stage best describes the organization now. Then he advises to develop a plan to move to the next stage using the strategies outlined in the following pages. The five stages are:

**Telling:** The boss tells the vision and expects the people to follow and execute it.

**Selling:** The vision of the leader would need organizational buy in and the leader makes effort in that direction.

**Testing:** The "boss" has an idea about what the vision should be, or several ideas, and wants to know the organization's reactions before proceeding.

**Consulting:** The "boss" is putting together a vision, and wants creative input from the organization before proceeding.

**Co-Creating:** The "boss" and "members" of the organization, through a collaborative process, build a shared vision together.

(Peter Senge et al, 1994) state that they follow in the intensive three-day Visionary Leadership and Planning programs they designed at Innovation Associates, articulation of personal vision comes first. Second, evolving from personal vision is sense of organizational and shared vision. (Senge, Kleiner, Roberts, Ross, & Smith, 1994).

At HPCL we chose the co-created visioning process as espoused in the Fifth Discipline Field Book and the Innovation Associates. The Fifth Discipline Field book mentions Innovation Associates Process as the one recommended for co-creation. The Process recommends the creation of the personal vision first and then the organizational and thereafter the team vision to ensure connect and alignment between self, organizational and team visions(Senge, Kleiner, Roberts, Ross, & Smith, 1994). We would also explore the process of co-creation, the themes in the vision, its results and how its co-creation was linked to the quality of individual and collective ownership of the vision objectives.

**2.1(l) Linkage of Personal Vision to Organizational and Team Vision**

Senge talks on how the personal vision is the framework of commitment to organizational vision when the process involves co-creation. If the co-created vision is anchored in the personal visions, the organization becomes the platform for people self-realization. They do not think of themselves as instruments but active participants in creating the organization they aspire for. Instead of compliance and subservience they become co-travellers in achieving the organizational vision. (Senge, 1990)
2.1(m) Personal Vision

Richard Boyatzis has talked of the “Ideal Self” as the personal vision. He talks of as we express our aspirations as who could I be if I were at my personal best and working effectively a meaningful visions emerges. He states meaningful vision of ourselves and our future engages our desire to move toward that future and gives us the courage to try (Annie, Boyatzis, & Johnston, 2008). The principles of Intentional Change Theory built by Richard Boyatzis have been used in HPCL extensively. Dr Richard Boyatzis who is a legend in the field of competencies, leadership and Emotional Intelligence has influenced leadership development in the last three decades immensely. The researcher met him several times and using his inputs had used the Intentional Change theory for leadership building and also helped several people draw their personal visions or picture of the desired future for themselves.

HPCL had in 2012 and 2013 i.e. in the last two years had commenced on a major leadership initiative called project “Akshaya”. The researcher was leading the initiative from HPCL. Senior-most leadership (but below the board level, few of those who were covered are now on HPCL board) were coached through a process where they articulated their noble purpose and personal visions first and then assessed their real self with the help of a 360 feedback designed by Dr Daniel Goleman and Dr Ricard Boyatzis called the Emotional Social Competence Inventory to assess the gap between ideal self and real self and then were helped through coaching and mentoring to move closer to their ideal self.

It would be not only interesting but also enriching theoretically to explore the impact of the same on HPCL senior leadership consisting of Executive Directors, General Managers and Dy Managers who have undergone the process for two year. It would be interesting to see how the personal vision helped the person to get in touch with his ideal self, look through the Emotional Social Skill Inventory at his real self and how they worked on action plans to reach closer to that ideal self and if the journey was kindled through intrinsic motivation. The number of people who were covered in this major leadership was forty eight senior executives. The Intentional Change Theory is depicted in the diagram below:
Adapted from Boyatzis theory of Self Directed Learning (Boyatzis, 2006)

Peter Senge defines vision as a picture of the desired future we wish to create. It reflects our deepest aspirations. He talks that for personal mastery which he defines as continuously enhancing capacity to create the results, for which articulating a personal vision is a must (Senge, 1990).

It is very important that people define the vision with clarity. It is also important that they assess the current reality or current state in relation to the vision objectives. Current Reality is not about knowing the present condition in general but deals with the specific current reality with relation to the vision objectives. The realization that there is a gap between the current reality and the vision objectives produces a structural tension called the creative tension. This creative tension compels us to act to reduce the structural tension which we feel.

**Figure 2.2: Intentional Change Theory**

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Again, Dr Peter Senge’s Principles on the Building of Personal Visions for a true connect to the shared vision was extensively used by HPCL with more than 4000 officers participating in a period of ten years. Dr. Senge accorded special mention to HPCL initiatives on Learning Organization by inviting the researcher to speak to about 400 Indian industry leaders on the implementation of the fifth discipline principles for creating a learning organization in 2007. no other organization in India has put in so much effort and investment in building a co-created vision starting with individual visions and therefore the power of the personal vision would be interesting to explore in its connectivity to ownership to shared vision.

A compelling personal vision is vivid and challenging and stimulates the setting of and commitment to difficult and specific proximal goals. The empirical evidence ascribed to personal higher goals is rather thin (Roberts, Robins, & O’Donnell, 2004), yet many theorists have agreed that higher order goals play a large role in motivation (Bandura, 1997; Locke & Latham, 1990, 2002). Task Objectives and building strategies would be self-energizing if they relate to distal goals derived from personal visions (Masuda, Thomas, & Minor, 2010).

For example, constructing long-term goals has appeared in several literatures including those of social cognitive theory (Bandura), personality theories and social exchange theory (Randall M. L., Cropanzano, Bormann, & Birjulin, 1999) goal theory (Locke & Latham,
The beliefs people hold about their efficacy to exercise control over events that affect their lives, influence their selections of activity, their visions, quantum of effort and determination. The level of efficacy also impacts their resilience, their ability to handle stress, depression and adversity and effects performance (Ballesteros, Nicolás, & Bandura, 2002).

Research on perceived efficacy its role has been commonly directed to the results on individual agency. Social cognitive theory spreads the theory of individual lagentic causality to collective agency build through a sense of collective efficacy (Bandura, 1997), by selflessly sharing of knowledge, abilities and resources, and building relationships to work and solving problems together.

Perceived collective efficacy is termed and explained as a group’s shared belief in its collective capabilities to shape and implement the actions needed to achieve the desired goals (Bandura, 1997). Unlike individual efficacy, collective efficacy involves interpersonal and social relationship skills. Perceived collective efficacy is thus an emergent construct from the social processes rather than a summation of individual efficacies (Bandura, 2000, 2001).

According to Bandura’s social cognitive theory, possible futures and proximal goals that aid in future goal attainments are key elements of human motivation. Peak and distal goals that compose one’s personal vision direct, motivate, and sustain self-regulated activity, effort, and planning (Masuda, Kane, Shoptaugh, & Minor, 2010)

**2.2 Intrinsic Motivation from Choice Goals (Self Determination Theory) and Achievement Orientation**

**2.2(a) Distal and Proximal Goals: The Relationship**

It is not sufficient to have a vision of the future one cares deeply about (Bandura 1997, Locke and Latham, 1990). Distal goals in the vision would set direction of pursuit. Yet, distant futures would often be thwarted by immediate competing demands and thus be unsuccessful in controlling current behavior. Short term sub-goal focuses efforts on what has to be done in the here and now and therefore turn distal goals into reality. Further, these proximal goals foster
accomplishments which build belief in one’s efficacy and beget happiness. These positive experiences create intrinsic interest in the activity (Bandura, 2008).

Albert Bandura (1997) talks of multiple systems of goals which range from proximal to distal goals hierarchically arranged. Proximal goals control immediate motivation and results provide continuing feedback and are connected to personal mastery. In contrast, distal goals define preferred and enduring aspirations that attract individuals toward meaningful destinations.

This treatise is important because in the workshops at HPCL Internal Coaches which included Researcher carried out for more than 5000 people were the distal goals which would attract them to personally meaningful destinations. In fact, at HPCL we created a manual on Personal vision on the lines and the same was appreciated by our then Chairman and Managing Director and Director HR. They also talked on how the personal visioning has helped our employees to become more effective.

2.2(b) Meaningful Goals

Albert Bandura postulates that Positive Psychology is not confined to the mere pursuit of happiness. The striving for satisfaction and well-being must be considered within the broader purposes of life (Bandura, 2008). Further, Bandura has talked of the interconnected elements which lead to self-efficacy. Personal determinants or personal vision can therefore be a powerful catalyst to change.

People sense meaning in their work while pursuing objectives that they find meaningful. Success on such objectives creates sense of personal accomplishment and self-efficacy. They are willing to go the extra mile and negotiate hurdles with sustained effort and energy to attain the future they desire. Bereft of choice on goals, people get bored, apathetic and seek escape from activities. (Bandura, 2008)

Mihaly, 1990 says moments that are etched as memorable in our lives are not the passive or relaxing ones but are those where we have worked hard to attain meaningful goals. He has talked about how a challenge which is personally considered worthwhile and which tests our competence and capability can put us in a zone of learning and flow (Mihaly, 1990). The researcher has documented numerous experiences to theorize that the term worthwhile is a personal construct of the individual mind, level of acceptable challenge and value of a goal to the individual. The Researcher talks on how happiness does not happen to a person but is created by the person. Happiness results from feeling fully alive by performing to one’s potential
(Mihaly, 1990) Also, he talks on the need for clear goals, regular feedback and emotionally engaging goals (Mihaly, 1990).

Research in the last decade has paid cognizance to what motivates an individual; that is their objectives (Deci & Ryan, 2000). The Self Determination Theory has looked extensively at the difference between intrinsic and extrinsic goal contents (Sheldon, Ryan, Deci, & Kasser, 2004), Kasser and Ryan (1996) explained intrinsic goals as personal growth, involvement in community, interpersonal relationships which are emotionally satisfying and therefore inherently rewarding to focus and act on, probably because they directly satiate essential inner needs (Baumeister & Leary, 1995), and positively correlated to competence, and autonomy(Deci & Ryan, 2000).

At HPCL we have been involved in creating the vision process which does take recourse to imagery and the impact of imagery on creating connect with the people would emerge out of the peoples’ interviews and should be explored especially since in a co-created vision the images of the future could be shared mental models of the future and its linkage to connecting with the vision is an important construct that should be looked into. Also, each of the team visions which were rooted in the personal visions of the people talked of competence, talked of goals beyond self and organization i.e. community related, articulated goals that related to organizational and people growth amongst others. This are the goals that as per the theory of self-determination intrinsically energizing and would be important to understand their impact in an organization which is a fortune 500 company. It is important to note that review of the literature by Baum, Locke and Kirkpatrick, 2008 found only two cases where charismatic and visionary leaders had impacted business unit performance. Therefore, it is important that the impact of visionary leadership or vision should on business performance be looked into. The areas of business performance which showed improved results were subordinates perception of their managers as higher on intellectual stimulation, charisma, recorded improved commitment to the company by the subordinates and some unit level financial results.(Barling, Weber, & Kelloway, 1996).

At HPCL, pursuit of goals which were derived from co-created vision, resulted in meaningful goals and led to intrinsic motivation.

Outcome expectancy has been explained as an individual’s estimate on whether a given behavior would lead to the desired outcomes. Efficacy is categorized as the conviction that
the individual can execute the behavior to get the expected outcomes. Thus outcome and efficacy expectations are different, since people can believe that a process or action can lead to certain outcomes, but need to believe that they can perform such activities in order to have self-efficacy (Bandura, 1977)

![Diagrammatic representation of the difference between efficacy expectations and outcome expectations adapted from Bandura 1977 –Self Efficacy.](image)

**Figure 2.4: Diagrammatic representation of the difference between efficacy expectations and outcome expectations adapted from Bandura 1977 –Self Efficacy.**

The theory is applicable to the work at HPCL. Dr Peter Senge (Senge, 1980) talks of personal mastery as enhancing capacity to create the results we desire. This model is very closely related to the theory where we have to not just believe in the outcomes but also in ourselves in terms of capability to achieve the outcomes. It would be interesting to see how; after vision creation people designed action strategies to achieve capabilities to reach the desired outcomes and if they led to increased individual and collective efficacy.

**2.2(c) Visionary and Transformational Leadership: Creation of Meaningful Goals**

The central role of leaders is to energize people to accomplish great results. The researchers talk about how leadership is the art of influencing effectively. Influencing should be in the pursuit of organizational goals (Vroom & Jago, 2007). Theories on Transformational and Charismatic Leadership espouse that leaders go about this emphasizing the valence of effort and inviting participation to help create a sense of collective identity, enhance people’s self-worth and self-esteem (Shamir, House, & Arthurt, 1993)
Research explains that when leaders involve visionary behaviors, followers set goals which are intrinsically inspiring and value congruent. The relationship between and job and life satisfaction has been researched. In a study by Bono and Judge it was observed that it was possible to become more satisfied with the job if the goals chosen were right goals. Also, people who had enjoyed high core self-evaluations were prone to choose goals which would make them happy in the job and their lives. Also, choosing self-concordant goals partly explained their dispositions and feelings of achievement and fulfillment (Bono & Judge, 2003).

Research has surprisingly also suggested that transformational leadership is not always related to motivating higher performance among followers. (Grant A. M., 2012)

In HPCL we had through co-creation worked on distributed leadership building and collective efficacy. The above literature helps us to realize the need for going beyond the theory of transformational leadership as a person to one that is a process and where every participant had an opportunity to define the destiny of the organization

### 2.2(d) Emotional Disengagement

Employee disengagement costs. It cost the US about 350 billion dollars as estimated in 2008 in terms of employee turnover, lost productivity, theft and accidents. In the continually increasing competitive scenario employee engagement is the competitive edge (Allan Schweyer, 2009).

But, employee disengagement does not penalise U.S. A alone. It is true for India and our business organizations as researched by Gallup. Their research in India have recorded significant employee disengagement,(Chaturvedi, 2010).

The connect between clarity of goals and employee engagement is established and the first question related to measurement of employee engagement in the Q12 by Gallup, 1999. The twelve questions that Gallup found connected to creating engagement came from extensive
empirical research that covered over a million employees in the quest to understand what creates an engaging environment.

**The Q12 questions**

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of your company make you feel your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last six months, has someone at work talked to you about your progress?
12. In the last year, have you had opportunities to learn and grow?
These twelve questions determine the level of employee engagement. Research also empirically established the connection of employee engagement to Employee Productivity, Profitability, Customer Engagement, Employee turnover or attrition and Safety (Buckingham & Coffman, 1999)

Interestingly in questions in Q12 which talk of clarity on expectations, is also brought out in several other researches like Minaly Csikzentmihalyi, Locke and Latham (Csikzentmihalyi, 2003), (Locke & Latham, New Directions in Goal-Setting Theory, 2006). Also, several other questions like the materials and tools to do my job right talks about the manager conversing with the employee to find what she needs to do the job right. This is more in line with the autonomy that is needed for self efficacy and in a team for collective efficacy (Ballesteros, Nicolás, & Bandura, 2002). Similarly questions on opportunity to perform the best everyday talks of using one’s talents regularly which is also close to the theory of autotelic or intrinsically (Csikszentmihalyi & LeFevre, 1989). Similarly, questions about appreciation, caring received from others increasing belongingness and is related to theories like Organizational Justice where colleagues are talked about attending carefully to another employee’s needs (Randall M. L., Cropanzano, Bormann, & Birjulin, 1999). Similarly the best friend at work talks of positive social environment that is critical for superior performance which has been brought out in research (Katzenbach & Smith, 1993)

The last two questions related to feedback on progress and an opportunity to learn and grow relate to the the inherent and innate need to grow and evolve as a person (Coffman & Molina, 2002)(Buckingham & Clifton, 2004).

Since Gallup Q12 Intervention had been initiated with a significant no of teams and who had also been involved in the visioning process, It will be explored on what were the emergent factors as they implemented the Gallup Q12 philosophy.

2.2(e) The High Performance Matrix- Performance Management System:

High Performance Cycle begins with setting of challenging and acceptance of goals by organizational members. High challenges lead to a sense of enhanced self- efficacy and high expectancy. Such goals would need commitment of the people without which the high performance cycle would not work. Importantly, research indicates that commitment is not necessarily due to participation in goal-setting process. Goals when assigned by people in positions of authority could lead to high accomplishments (Locke & Latham, 1990).
One of the counterintuitive research findings by Locke and Latham over decades has been the surprising fact of participation in decision making not being linked to performance. The researchers have maintained that participation in decision making does not improve performance. The conditions where they advocate employee participation in decision making are where employees have sufficient domain knowledge to make a useful contribution, during the preparation of sub-goals and strategies for attaining larger goals in the vision, mission or strategy to get new sources of expertise on a subject. (Locke, Schweiger, & Latham, 1986).

The researcher view that vision talks of the desired future and since future is amorphous, uncertain, nebulous and vague to claim expertise and knowledge of the future is to claim the status of a Nostradamus. In such times, as creating a vision it is all the more important that the leader and his followers explore and articulate a co-created vision with the participation of every employee.

Research further indicates that level of performance is dependent on the quality of commitment. Commitment is impacted by three determinants a) External factors - authority, peer influence and external rewards, b) Interactive factors viz. participation and competition and c) Internal Factors viz. expectancy and internal awards. Increased levels of goal difficulty, which seem beyond the capability of the people, can erode self-efficacy and commitment (Erez & Zidon, 1984). Task goals serve two functions.

First, task goals stimulate the search for or use of strategies needed to accomplish distal goals (Locke & Latham, 1990). Second, task goals provide a standard for evaluating the effectiveness related to the strategy used or the effort allocated to pursue such goals.

Research talks about for high performance ecosystem where people start with high goals and self-efficacy. This combination results in high performance. People must set challenging goals and must have or develop believe that they have the skill and ability to achieve the challenging goals (Locke and Latham, 1990). A model of high performance as hypothesized in a diagram by Locke and Latham is reproduced below:
The above model talks that beyond specific goals and self-efficacy, to impact performance goal commitment is necessary. Feedback is critical to good goal monitoring processes. Feedback helps us to understand how we have performed against a standard (Strang, Lawrence and Fowler 1978). Without feedback people do not have a proper appraisal and so do not take action for correction. Situational Constraints must not inhibit goal attainment (Peters & O’Connor, 1980).

The situational constraints were listed by the researchers as inadequate job related information required to complete the work, necessary tools, equipment, materials and supplies, Budgetary commitment, help from others, preparation time for the task, time availability and the work environment. These factors if not addressed would impede performance and results. Situational constraints are aspects of work place which inhibit people from giving full expressions of ones skills and motivation at work (Peters, Chassie, Lindholm, & Kiline, 1982).

The first effort was to understand the constructs of coaching and their relationship to the work that Internal Coaches carried out at HPCL.
2.2(f) Coaching Definitions:

‘International Coaching Federation one of the premier bodies on coaching and arguably the most well-known in the field of coaching defines coaching which is reproduced below:

‘ICF defines coaching as partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential, which is particularly important in today’s uncertain and complex environment. Coaches honour the client as the expert in his or her life and work and believe every client is creative, resourceful and whole.’

‘Coaching is defined as “a short- to medium-term relationship between a manager or senior leader and a consultant (internal or external) with the purpose of improving work performance” (Douglas & McCauley, 1999).’

‘Coaching is unlocking people’s potential to maximize their own performance. Building awareness, responsibility, and self-belief is the goal of a coach. (Whitmore, 2009)’

2.2(g) Coaching and Coaching Process:

It was found in a study involving 300 US companies that one-on-one mentoring, apprenticeships, team coaching, peer coaching, executive coaching, action learning, and structured networks are major coaching initiatives in many organizations.

‘Organizations with initiatives in place tended to employ more individuals and have larger sales volumes than organizations with no programs in place’ (Douglas & McCauley, 1999)

“Coaching helps build leadership pipeline (Boyatzis, Smith, & Blaize, 2006), changes behaviours for enhancing effectiveness and superior results (Atkinson, 2012), development of executives through one to one conversations (Haan, Day, Sills, & Bertie, 2010)

“A coach has several roles to perform. The main objective is to develop the person being coached. This can be achieved through increasing self-confidence, identifying suitable topics for coaching and developing planned tasks as part of job knowledge.

Coaching is not, however, telling someone what to do and how to do it. Occasionally, it involves overseeing what is being done and advising how to do it better”(Fielden, 2005)
“Coaching aims to enhance the performance and learning ability of others. It involves providing feedback, but it also uses other techniques such as motivation, effective questioning and matching your management style to the coachee’s readiness to undertake a particular task. It is based on helping the coachee to help her/himself through dynamic interaction – it does not rely on one way flow of telling and instructing.” (Landsberg, 1996)

The preferred style of executive coaching in person coaching, confidential to enhance leadership attributes to help the key executives to perform consistently at their potential and beyond (Milojkovic, 2001)

Executive coaching is an experiential, individualized, leadership development process that builds a leader’s capability to achieve short and long-term organizational goals. It is conducted through one-on-one interactions, driven by data from multiple perspectives, and based on mutual trust and respect. The organization, an executive, and the executive coach work in partnership to achieve maximum learning and impact (Ennis & Otto, 2003)

2.2(h) Purpose of Coaching

Purposes of coaching is defined in Executive Coaching for Results as under: (Underhill, McAnally, & Koriath, 2007)

- Leadership Development
- Leadership Transition
- High Potential Retention
- Performance Issues
- Career Coaching
- Life Coaching
- Content-Specific Coaching

HPCL had set up a team of internal coaches who were entrusted with carrying out the process of co-created vision building at HPCL for SBU’s and teams and also helping them with strategy building and other HR initiatives for creating a customer centric organization.

They had trained initially for months in the HP Management Development Institute and then for years learned as they worked on the organizational transformation initiative. They spent
time together, shared and learned from each other during the period. The researcher in line with grounded theory norms looked for relevant literature on the advantages of internal coaching:

The pros and cons of external versus internal coaches are brought in literature as under:

**Table 2.1 – External and internal coaches**

<table>
<thead>
<tr>
<th>External coaches are preferable:</th>
<th>Internal coaches are preferable:</th>
</tr>
</thead>
<tbody>
<tr>
<td>For providing sensitive feedback to senior business leaders. For political reasons, this can be difficult for internal Coach</td>
<td>When knowing the company culture, history and political is critical</td>
</tr>
<tr>
<td>For bringing specialized expertise from a wide variety of organizational and industry situations</td>
<td>When easy availability is desired</td>
</tr>
<tr>
<td>When an individuals are concerned about ‘conflict of interests’ and whether confidentiality will be observed</td>
<td>For being able to build up a high level of personal trust over a period of time</td>
</tr>
<tr>
<td>For providing a wider range of ideas and experience</td>
<td>For not being seen to be ‘selling’ consulting time</td>
</tr>
<tr>
<td>For being less likely to judge and being perceived and may be as more objective</td>
<td>For keeping costs under control – less expensive</td>
</tr>
</tbody>
</table>

Source (Jarvis, 2004)(Fielden, 2005)

**2.2(i) Definition- Internal Coaching:**

Contemporary research has acknowledged the rise of coaching and mentoring as an effective method for supporting workplace learning. Internal coaching is a one to one developmental intervention supported by the organization and provided by a colleague of those coached trusted to deliver a programme yielding individual professional growth (Carter, UK)

Several Databases like EBSCO available with HPCL, Google Scholar etc. were used to explore in literature along with books on the subject of coaching. There is no material on how a team of internal coaches entrusted with work related to organizational transformation worked from the organizational and coaches’ vision. Yet there was significant amount of material on executive coaching both by internal and external coaches, development process of coaches and the
available literature is used to bring some of the significant findings on internal coaching. The salient recurrent themes have been brought out in the earlier paragraphs.

The above definitions help us understand that the coach’s primary responsibility is improving work performance of an individual. The objective of the coaches at HPCL was to transform HPCL from a bureaucratic set up to being customer centric. To that extent research literature does not bring out cases where a team of coaches were trained to conduct co-created visions, strategies and drive organizational change. Organizational transformation as a task for a group of internal coaches does not find mention in literature. Yet, some of the constructs of coaching could help us to understand the theoretical expectations of work done by coaches and the processes that are effective for coaching. Also it was heartening to note that internal coaching had certain advantages like trust of the employees.

As the case for the internal coaches was creating organizational transformation the positives mentioned in literature for internal coaches were pertinent. It was critical coaches knew the culture of the company, as also they were to be available as required by the company, and needed to be also believed as not selling a concept for consulting gain.

.2.2(j) Achievement Orientation construct

Achievement Orientation as a construct has attracted several researchers (Fineman, 1977). Achievement has been described as focus on accomplishment or task completion. Level of achievement motivation denotes the course of setting goals and targeting to achieve what one sets out to attain. Murray the pioneer on the concept of Achievement Motivation defined it(nAch) as the desire or tendency to do things rapidly, and/or as well as possible something difficult, to overcome obstacles and attain a high standard or excel oneself, or do rival and surpass others. Questionnaire by Mehrabian to measure Achievement orientation were clustered around two themes i) trying to do something well and ii) striving for success (Murray, 1938, Mehrabian 1968 Fineman, 1977)

The Multi Motive Grid introduced to measure the three motives Achievement, Affiliation and Power lists questions for ascertaining nAch which relate to a) Confidence of the person
in ability to do the work (Self-Efficacy as proposed by Bandura) and confidence of success at the job (Sokolowski, Schmalt, Langens, & Puca, 2000).

Pioneering work on achievement orientation was carried out by Dr. David McClelland at Harvard and Boston Universities. What gives his studies an added thread of association is that significant work on achievement orientation and its development was explored and experimented in India. McClelland in the landmark book “Achieving Society 1961” related achievement orientation to entrepreneurial drive and economic growth. Economic growth of an organization especially in the downstream oil sector (marketing and refining) is very much dependent on the government policies and therefore situational constraints apply to making very large profits or profits. However, the characteristics of people with high achievement orientation that he listed by research is interesting. People with high nach appear to be interested in excellence for its own sake than for rewards of money, prestige or power. He also brought out that people with high achievement orientation would have greater future time perspective.

Another important and significant finding was that the motive of achievement orientation was not rooted in the biology or DNA of the person and therefore not a fixed quantity. Further even adults could learn and develop achievement motive. This was important since psychoanalytic framework propounded by Sigmund Freud and later by others which took the world of psychology by storm, talked about personality characteristics and motives were laid down in early childhood in a lasting form. His experiments in enhancing achievement orientation in India in a place called Kakinada (Andhra Pradesh) helped establish that achievement motive can be learned and developed (McClelland & Winter, 1971).

Achievement orientation denotes the extent to which people long to succeed and excel at challenging tasks, and surpass others on that job (Greenberg & Baron, 2000 as cited by (Lim, Srivastava, & Sng, 2008)). Achievement goal theory is, at present, the predominant approach to the analysis of achievement motivation (Elliot & Harackiewicz, 1996).

Research in recent times has linked achievement motivation to analysis of the individual’s goals which cause competency-relevant activity (Ames, 1992). Research has further established connect
on cognitive, affective, and behavioral outcomes with goals (Ames, 1992; (Elloitt & Dweck, 1988).

An outcome that has significant meaning for organizations and to this research is intrinsic motivation or joy in an activity for its own sake(Cordova & Lepper, 1996)(Deci & Ryan, 1985)Intrinsic motivation has been acknowledged by several researchers as a fundamental aspect of adaptive self-regulation in the achievement domain. It is interesting to note that intrinsic motivation led to setting of more challenging goals which is a specific attribute of achievement orientation, (Iyengar & Lepper, 1999)(Deci & Ryan, 1985).

Autonomy and promoting competence or capability has been established to facilitate an internal locus of control and perceived competence tend to increase intrinsic motivational literature (Deci & Ryan, 1985).

Our Current desires are important for future success. Humans adaptive ability is linked to future thinking and an individual can hold in his mind a goal and strive persistently and tirelessly to accomplish it (Suddendorf & Corballis, 2007).

Organizational commitment Mowday et al. (1982) defined the concept as the strength of an individual's identification with the goals of an organization.. It is about positive involvement, which is integral to developing shared goals and objectives in a particular organization. Steers (1977) viewed organizational commitment as an employee attitude and as a set of behavioral intentions; the willingness to exert considerable effort on behalf of the organization and a strong desire to maintain membership of the organization. Organizational commitment has also been viewed as a dimension of organization effectiveness which contributes to increased effectiveness through work performance and reducing turnover (Scholl 1981,McDermott et al. 1996).Besides being variably defined, organizational commitment has been extensively studied and was found to lead to beneficial organizational outcomes and considered desirable (Reiches 1985). Research has shown that increased commitment improves work performance and reduces absenteeism and turnover (Steers 1977), which are costly to organizations. In Dutcher & Adams’ (1994) study of staff perceptions of the work environment, management support was given as a reason for staying at their agencies.
Several researches have discussed the relationship between self-esteem, self-efficacy and performance. In turn, self-esteem affects subsequent goal achievement; high self-esteem increases coping, and low self-esteem leads to avoidance. Based on this concept for achievement orientation to be positive self-esteem and self-efficacy would need to be a part of the construct.

Goals have been divided into two types one is task or performance goals and the other is mastery goals. Mastery goals intrinsically motive behaviors and are those that are not motivated by rewards or physiological drives and for such goals the reward is the joy derived from associating with the activity that arises out of the mastery goal (Deci & Ryan, 2008).

Spencer et al, talk about setting challenging goals and persistence of efforts as the higher levels of behavior depicted in Achievement Orientation Competence. The challenging goals are deemed to be achievable by the person with a 50-50 chance of accomplishment. Setting less challenging goals which are safe does not motivate the achievement oriented people (Spencer & Spencer, 1993)

Goleman and Richard Boyatzis in the research on Emotional and Social Competency Inventory have defined Achievement Orientation as striving to meet or exceed a standard of excellence. They found that people who demonstrate this competency look for ways to do things better, set challenging goals and strive to achieve them. The Emotional Social Competence Inventory questionnaire for assessment of competencies is based on extensive research. The attributes measured in the 360 degree questionnaire are imitation to improve personal performance, setting challenging goals and striving to achieve them.

In HPCL, the vision seemed to energize the people and we would like to look at how the vision promoted mastery goals and also if the performance goals necessitated or facilitated mastery goals and that would be an important finding and a good reason for organization to facilitate the process of vision co-creation. Visions create challenging goals collectively agreed upon. They are not impossible and yet challenging. The challenge would compel people to look at mastery goals and encourage capability building to achieve the goals.
2.3 Need for Building Customer Focused Strategies

- **Listening to Customers**

“The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” — Peter F. Drucker

“There is only one boss. ‘The customer’ and he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else”. --Sam Walton

The above two quotes represent the convergence of thought between a Top Theoretician and an Outstanding Business Professional on the pivotal role of customer need assessment in building organizational strategy.

HPCL is primarily an Oil Marketing Company. In hundreds of visions created at HPCL from the corporate level to the market facing teams at the regional office level the visions articulated had customer focus and customer delight as a core element. It was but natural that customer oriented strategies look to creating value for the customer.

Michael Porter arguably the most important influencer and well known theorist in the field of strategy states that companies to outperform rivals must develop competitive edge it can sustain. He states further that companies must provide higher value to customers or provide equal value at lower cost or both for developing and sustaining the competitive edge. (Porter, 1996)

Slater has theorized that higher value accrues to the firm which that have a customer value based organizational culture complemented by knowing the customer and their needs on a dynamic basis and which is able to deliver value on such ascertained needs. Thus firms working on customer value based theory must have knowledge of customer needs and processes to deliver such needs (Slater, 1997).

Business Enterprises which focus deep into customer needs and wants constantly think of ways of doing activities faster, cheaper and better. In the process such enterprises become indispensable for customers(Vandermerwe, 2004). Kotler talks of marketing as a continuous effort to finding and stimulating buyers for the business firm’s output. This he felt necessitates in business organizations that are progressive a process of continuous attentions
to the changing needs of the customers and modifying products and services to meet the dynamic customer needs (Kotler & Levy, 1969).

Organizations with increasing customer awareness and the emergence of a large service sector customer awareness is leading to customer oriented strategies.

Companies in times have been forced to introspect and build market strategies with customer needs as the central theme. Customers are rapidly changing preferences and products and services need regular updating and change to appeal to them. An organization which alive to the changing needs of the customer and nimble footed to accommodate the needs in the products and services could hope to garner the loyalty and increasing its share of the customer’s wallet. (Yao & Jen, 2012)

Listening into the customers’ unmet needs represent a powerful system of analyzing needs to create new business platforms through market strategizing. General Motor spends tens of millions of dollars per year to listen to the customer and to design products that would meet their needs. The profit and increase in revenue collections from creating products and services based on unmet customer needs yield good profits and generate additional revenue. Methods such as customer focus groups, ethnographic methods, clinics amongst other methods are used to understand the customer needs (Urban & Hauser, 2003).

- **Collaborating with Customers**

An important channel of communication to marketing firms is customer visits, which allow face to face conversation. The benefits of customer visit programs in relationship marketing communication were researched by McQuarrie (1991). Research has also validated that customer visits create and cement relationship with the business firm as also supplement the research efforts. Customer visits cement associations and supplement research efforts but the visits cannot be the sole domain of marketing people. It was found that the biggest benefits occurred when cross functional team members visited the customers, and companies like Hewlett Packard have pioneered this concept for market research. The days when only high level executives visit customers and others receive second hand inputs from them on customer needs are over. Similarly marketing executives are not the lone bookkeepers of customer needs and therefore restricting visits to customers by marketing people is not holistic view of solving customer problems. Further only Tier 1 or top customers merit visit is an old paradigm as benefits to collaboration may arise from any customer. Further we
need to coordinate and leverage these visits for improving our customer offerings or solutions. (McQuarrie E. E., 1995)

The above have huge significance because consequent to our visions, hundreds of officers in the Strategic business Units of HPCL visited the customers in cross functional teams and that helped us forge solutions that were customer centric and it would be important for me as the researcher to understand how the dynamics of such interactions led to more customer focused solutions and built also commitment in the employees.

**Customer visits as research opportunities:**
Customer visits may encompass the goals of problem solving and relationship management. But a very fruitful outcome of customer visits would be research. Manufacturing units can send executives to customer sites resulting in market intelligence, better utilization of complex machinery and troubleshooting of long standing problems. However such agendas are not designed to give good research results. Research should help aim for future action while trouble shooting helps remove present problems. Research should aim at information gathering, discovering customer needs, identifying what new products and services they may need. These processes cannot be outsourced and should be carried out by the company executives in cross functional teams (McQuarrie E. F., 1991).

The above again is important to my research since the Direct Sales SBU which has B to B and B to C Businesses created a team of about 50 officers in cross functional teams from locations and technical personnel who went to customer premises during strategy building from the vision and researched into both existing and futuristic needs.

Business Organizations are today co-opting customers as a way of drawing in their competencies to excel in product and service creation. In the software industry some players have leveraged this extensively. They partner in creating and testing software for true integration with their existing technology platforms and fulfilling their needs in an exacting manner. They often even take help of their customers’ ideas to change their product features like Microsoft had 650000 customers test their beta version of Microsoft Windows 2000. This enabled them to take care of the initial glitches and correct bugs. The benefit estimated to Microsoft was in millions of USD (Prahalad & Ramaswamy, 2007).
Customer assistance and collaboration is also noticed with other IT and software firms like Cisco. But IT and Software firms are not alone. Sectors like medicine, automobile, have also been in borrowing customer ideas for improving service and products (Prahalad & Ramaswamy, 2000).

**Customer Delight:**
Customer delight has been defined as “profoundly positive emotional state generally resulting from having one’s expectations exceeded to a surprising degree” (Oliver, Rust, & Varki, Customer delight: Foundations, findings, and managerial insight , 1997).

Numerous visions in HPCL carried the theme of customer delight. The visions often talked about customer delight through fulfillment of their stated and latent needs. A research into customer delight talks of surprise as a major element. It says that the products and services must have an emotional hook to make the experience memorable. He talks of that emotional hook being created through ‘the unexpected’ or novelty. The unexpected also makes the product or service a distinguisher and a differentiator which could serve to boost the brand, the product or the service. The differentiator which is the causer of the memorable experience would lead to people telling stories about their experience which would serve as word of mouth promotion and also imbibe a sense of pride in the owner of such product of the user of such service (Klein, 2012).

While delighting the customer was found as an imperative in the earlier research mentioned above, counter views have been discussed in literature. In an important research it was discovered that delighting the customers is not as important as satisfying them on the promises made. The research highlights consumer’s impulse to punish bad service more readily than to reward delightful service. The researchers point out that conventional wisdom suggests that customer’s loyalty is often to firm which goes above and beyond the promised level. Yet, their research proves that exceeding expectations during service interaction creates at best increased marginal loyalty. In fact the research also mentions that we need to address the emotional side of customer interactions to enhance loyalty. The researchers have defined customer loyalty as an intention to continue doing business with the company, increase their spending or say good things about it (Dixon, Freeman, & Toman, 2010).
On the other hand (Schneider and Bowen 1999), state that quality to customers in a competitive market is a dynamic variable. We need to continually enhance the customer experience. There is evidentiary justification that mere satisfaction would lead to defection. An example is quoted from Xerox where “totally satisfied” customers expressed their intention to repurchase as six times higher than those who were “merely satisfied”. The researchers suggest that firms must make efforts for 100 percent or total customer satisfaction. They would in fact be better off delighting the customers by going beyond in order to achieve the level of loyalty desired (Schneider & Bawen, 1999).

The literature review on customer delight finds its origins in:-

a) Affect is a powerful motivator in marketing.

b) Mere satisfaction was not sufficient to ensure loyalty and other important behavioral outcomes.

c) Enhanced competition in the business environment.

d) Increasing significance of customers in a buyers’ market.

It is important that research also explores the employee’s view of the actions and behavior that would result in delightful experience. And important component of any successful interaction with the customer depends on how the frontline employee manages and creates the experience (Barnes, Collier, Ponder, & Williams, 2013).

In view of the above, it became evident to several researchers that firms have to provide elevated quality of service to generate amplified levels of positive emotions to create a feeling beyond customer satisfaction, termed as delight. Employees have a large role in creating the positive affect in the customer through their interactions. Employees may be motivated to service the customer in order to create customer delight to either intrinsic or extrinsic motivation (Deci and Ryan, 1985).

The above is extremely important in view of the fact that large scale action was initiated to manage in HPCL the frontline employee’s behaviors for creating the right kind of experience by the customer. Large scale training, orientation and motivation were induced in the employees for this purpose.

**Customer Loyalty and Delight**

Oliver’s framework (1997) talks on the connect between cognition-affect-conation. The consumers are expected to become loyal in a cognitive sense first, then in the affective sense,
thereafter in the conative manner and finally in the behavioral manner termed as “action inertia”.

Cognitive loyalty is the first phase wherein the knowledge on the brand attributes available to the customer finds preference in comparison to other alternatives. This phase is termed as “cognitive loyalty” founded on brand reliance. Affective loyalty occurs when a customer develops affinity to a brand on the basis of repeated satisfied usage. It reflects the pleasure dimension and builds commitment on an emotional and experiential basis. The conative loyalty develops by the recurrence of repeated experiences of positive affect for the brand which leads to the commitment to make repurchases. It is close to motivation to the brand out of which the intention to rebuy arises. The final stage is action loyalty where the intention of repurchase is converted into action. This is important because HPCL before embarking on the change management had paid very little attention to building up a brand which would compel loyalty. This research would help me understand the various levels of loyalty that we create in our customers (Oliver, 1999).

2.4 Team and Teamwork

The other theme that is repeatedly articulated in the visions created at HPCL is “team and teamwork.” Since the vision theme was used in both strategy building and strategy implementation, literature connected with the theme assumes high relevance. Research on the science of building great teams (Pentland, 2012) brings out that it is not the content of the teams’ conversations but the way and methodologies of communication that is important for quality teaming. It appears that three factors – a) Energy – how team members contribute to the common goals, the level of energy they bring, b) Engagement – which stems from the level quality and manner of communication that the team members have and c) Exploration – the level of exploration between different teams that create high performance. The research also highlights traits that successful teams display.

i. Every team member voice and listen to each other
ii. Members in their conversation display energy and enthusiasm
iii. Members relate to each other and not only to the team leader
iv. Members indulge in conversations not limited to team meetings
v. Members take breaks and explore outside the team to usher in new information

Two elements which are remarkable in great teams are their methodology of communication and the frequency of face-to-face conversations. Technological Infrastructure like phone or
video conferencing is found to be less effective and the least effective forms are emailing and texting (Pentland, 2012). This is important since at HPCL when the teams were created there was several and regular face to face meetings with members and conversations through dialogue which is the superior mode of conversations and communications took place for years together and even today continues in the form of Business Council Meetings.

A seminal research by Katzenbach et al, 1991, on high performance teams brought out interesting insights. They defined a team as follows – “a team is a small number of people with complementary skills who are committed to common purpose, set up performance goals and approach for which they hold themselves mutually accountable”. They found that the fundamental aspect of a team is its common commitment. Bereft of that they would perform as individual but such commitment would mandate a reason, cause or purpose in which the team members have faith in. It could range from transforming the work processes to creating mutually productive relationships with suppliers and vendors. But the cause must be a cause that moves every person in the team to action. A purpose could be to fulfill a demand or meet an opportunity which could come as a need by the higher management. But the management would need to allow enough flexibility so that the team can set up goals, methodology of approach and time frames in response. The best teams spend large amount of time and energy in forming and creating consensus on the purpose which brings in individual and collective ownership.

This is important since in HPCL cascading the corporate vision upto the team vision achieve exactly this.

Specific team performance goals need to be set up by the team members are a must. Performance goals do lend clarity on the roadmap to action as also facilitates productive conflict and friction in the team for real consensus to emerge. Specific goals channelize focused energy to help update superior results.

A common approach specifies as to how the team could work together to achieve their purpose. (Katzenbach & Smith, 1991), research talks on the need of clear job allocations, task scheduling and of learning strategic skills. As also team operating principles on how to make and modify decisions would have to be in place. The team members would have to
agree on the specifics of the tasks they would handle and how it gels together to amalgamate individual skills for helping the team performance (ibid.)

Research has however also pointed out that teams don’t always work (Coutu, 2009). Hackman at Harvard University a well-known authority on the concept of teams, talks of numerous instances where they underperform. The first condition for teams to be successful he says is that they should be bounded. Also, members who are individualistic and prefer to be individual contributors should not be on board. Selecting them or even acquiescing to their requests to join the team could be counterproductive. He also talks how it may help a team to have clear goals to remove the anxiety and stress of performing in ambiguity. The researcher also talks about how familiarity and long standing in the team can improve coordination and better results. Deviants who question the status quo and the assumptions behind the team decisions often help new thinking to arise and get debated on (Coutu, 2009).

Hitchcock (1996) talks of the practical use of visions in teams. His work on the team visions talk about the hurdle that teams face, on how to convert a worthy organizational vision to an agenda for day to day work for a team. The team may be a small unit in the organization and may find little connect between their daily activities and the vision objectives of the organization. There is also lack of ownership of the team members who would be small units in the organization. Team visions created by the team help immensely as the local that is the team members being involved in the team vision creation resonate and relate with it. The vision provides the objectives to work for, the initiatives they would put in to achieve the vision and the capability they need to build to achieve the objectives (Hitchcock, 1996)

Resonant Teams build an asset base and capital of emotional positivity. Leaders, who can do that, are ones, whose people would not desert and also put in their best. People are always feeling something and cannot leave their emotions at home. Research clearly shows that when people are angry, anxious, alienated or depressed their work suffers. Goleman states that a leader could establish norms that the team as a unit has empathy, internally like paying attention to each other, as also externally as to how we relate and how the organization relates to us for enabling the team to manage the relationships with rest of the organization. Also smart teams learn political awareness and are able to influence adequately to get the required resources. Leaders must also learn to create resonance within selves by tuning into their own values, sense making through meaningful goals and lead others authentically, while living
those values as also tuning into other peoples values and aspirations. This creates an environment where others also tune into the leaders values and goals and a climate is created where people create a shared purpose. This releases energy in people and creates resonance (Goleman, 2002).

To build a team of highly effective people we need to look at not only qualifications but ascertain their capability to get along with people. Sometimes it is important to add by subtraction, for eg. if a person is not the best in terms of team work it is better to let her go (Ryan, 2012).

Team work is casually linked to organization performance. Total Quality Management (TQM) and Total Productive Maintenance activities are dependent on the quality of team work. Senge, 1990 talks of team learning and team work as critical to organizations. Francis and Young, 1979, talks of team as “an energetic group of people committed to achieving common objectives, who work well together and enjoy doing so, and who produce high quality results”.

Johnson and Johnson, 1991 state “a team is a set of interpersonal relationships structured to achieve established goals”. Performance has been the hallmark of good teamwork. Stott and Walker, 1995 (Stott & Walker, 1995) have termed three factors as connected to performance – A) Ability, B) Work Environment and C) Motivation. The performance was expressed by:

- Performance = f(ability x motivation x environment)

A shared vision has been also considered a very important factor for dream teams who have very high levels of performance (Richards & Mogers, 1999). Katzenbach, 1994 talks about the need for teams to have its performance opportunities defined. Teams don’t happen if the primary objective is building a team. Clarity and compelling performance objectives, which reflect a collective challenge demands effort and multiple skills, produces the required commitment. This cannot be replaced by a desire for team work, cooperation or togetherness since the primary objective of team is performance. It is also necessary that team members be selected on basis of their skills rather than on merit of their status (Katzenbach & Smith, 1994).
2.5 Building a strategy execution matrix – the Balanced Scorecard (BSC):

Measurement is an essential process of strategy. Without measurement it is not possible to ascertain or progress and remain without feedback. The Balanced Scorecard provides business firms, amongst others, a robust framework to translate the organization’s strategic objectives into a meaningful set of performance metrics. The scorecard presents the organization to think of measurement of strategy in a novel way. It links the financial expectations with customer value propositions which then drives the objectives in the processes of the organization and directs strategic capability building. The causal linkages between profits – products – processes – people help understand the strategy in its entirety. Measures and targets thereafter enable the executives to understand what and how strategic capabilities will be built to run the desired processes for achieving the customer value proposition in order to make the desired profits (Kaplan & Norton, 1993).

Kaplan and Norton explain the Balanced Scorecard of multiple perspective measurement as important and provide the analogy of a pilot flying a modern jet airplane with multiple instruments rather than a single one. Just like a modern aircraft cannot fly on fuel gauge alone. With increasing complexity in business, strategy and strategy measurement must be holistic. They talk about how companies from the 1850s to about 1975 benefitted primarily from scale and scope. (Kaplan and Norton, 1996)

In the article “The Enduring Logic of Industrial Success”(Chandler, 2001) this philosophy of scale and scope has been critical component of success. The researcher talks of how Standard Trust in 1881, owned by John D Rockefeller could through by dint of scale bring down cost of production. He also mentions other examples with similar results (ibid.). In the information age of today competitive edge comes from mobilizing and leveraging of intangible assets. Linking the intangible asset development i.e. people and the tangible business results is the Balanced Scorecard.

The Balanced Scorecard concept when introduced by the book “The Balanced Scorecard” placed the vision at the center and the strategic objectives were drawn from the vision. Against the strategic objectives we would be putting up measures which would help us know that we were progressing in the direction of objectives. Also the financial strategic objectives would help decide the value proposition objectives in the customer perspective, which would guide us to the processes, (for e.g. if the customer value proposition is speed, then processes
would need to be set up for speed, if the proposition is customer experience then processes to delight the customer would need to be put in place.) After the process objectives, learning and growth along-with IT Infrastructure forms the capability building perspective to build capacity for execution of processes (Kaplan and Norton, 1996).

![Balanced Scorecard Framework](image)

**Figure 2.6: Balance Score Card Framework**

### 2.5 Balanced Scorecard and the Four Perspectives

The balanced scorecard looks at the strategy in four perspectives:

#### 2.5 a (i) The Financial Perspective

Kaplan and Norton continue to regard financial data as important measures of success. The financial results tell us the effect of our strategy. The financial
perspective talks of two objectives of increasing revenues and optimizing costs for better profits and consequently superior shareholder value.

2.5 a (ii) The Customer Perspective

A customer value proposition helps us to know how we will increase revenues. The Customer Value Proposition is for the potential customer segments we wish to serve. Based on the customer segment we wish to serve we could create a product leadership, customer relationship or cost leadership model and mark out the strategic objectives accordingly in the customer perspective.

Experience at HPCL denotes that customer value proposition articulated only denotes the strategic or dominant philosophy for e.g. innovation, competing on price or service but does not mean the complete absence of other two.

2.5 a (iii) The Business Process Perspective

This perspective talks of the internal business processes. The processes get identified by the customer value proposition. If we wish to focus on innovation and innovative products and services the internal processes must be geared accordingly and if we wish to deliver at lowest prices the processes must designed suitably.

2.5 a (iv) The Learning & Growth Perspective and IT Infrastructure:

The perspective talks of

- Human Capital (Skills, Knowledge and Training)
- Organizational Capital (Culture, Leadership, Alignment and Teamwork)
- Information Capital (Databases, Networks and Systems)

The strategic readiness of human capability is its ability to shoulder the responsibility to work on the jobs that are strategic to it. For this we need to identify from the internal processes which are the strategic job families- the places where the employees with right skills give
maximum results. Information capital readiness can be checked by matching its capability to manage and drive the strategic internal processes through the software and hardware in the unit. Organizational capital strategic readiness can be measured by the people’s internalization of organizational vision, mission and values (Kaplan & Norton, 2004). The diagram on the above is adapted from a presentation by Dr David P Norton in Mumbai to HPCL executives in Nov 2004.

Above Diagram adapted from Talk on Balanced Scorecard to HPCL in Nov 2004

Figure 2.7: Translating Vision and Strategy into Operational terms

2.5(b) Strategy Map
Strategy maps communicate the strategy in the form of a cause and effect story. They describe the strategy. The strategic objectives (shown in oval shapes) in the perspectives are connected to each other as in a systems diagram in the form of a cause-and-effect chain. Thus improvement in learning and growth should lead to improved results in internal
processes which should improve the deliverables in customer perspective and finally impact the financial parameters in a business organization. A diagram to that effect is depicted below:

![Balanced Scorecard Strategy Map](image)

The Strategy Map is adapted from Presentation to HPCL by Dr Norton at Mumbai in Nov 2004.

**Fig 2.8: Balanced scorecard strategy Map**

**The Strategic Objectives and the Balanced Scorecard**

Once we decide on the strategic objectives on the strategy map we then select the measures (which denote how we will reach the objectives), the targets that we shall attain in the time period decided by us and then the initiatives which would be projects that would bridge the gap between the present and where we wish to reach (targets). The following diagram is the template used:

| Strategic Objective | Measure | Target | Initiative | Budget required |
|---------------------|---------|--------|------------|-----------------|-----------------|
| (Copied from the Strategy Map above) |         |        |            |                 |                 |
In a research on the balanced scorecard with an objective to search the relationship between BSC usage and organizational size as well as between organizational performance and the match between BSC usage interesting findings are observed. It was found that larger organizations are more prone to BSC usage. Large organizations find it more important to use BSC which helps in strategic decision making, since the BSC uses broader measures and performance and also adopt a more holistic approach. It is also seen that market position are not associated with BSC usage (Hoque & James, 2000).

Kaplan and Norton, 1992 developed the balanced scorecard to complement traditional financial measures of business unit performance. A survey estimates 60% of Fortune 1000 firms have worked with the BSC (Silk, 1998). Each business unit in the organization creates its own metrics cascaded from the goals and strategies. While some measures may be common across units, others could be completely different. The BSC should incorporate measures for the financial perspective, customer perspective, internal business process perspective, capability building and IT perspective. In the financial perspective the measures could be both for revenue growth as well as on cost effectiveness through superior asset utilization and productivity. Revenue growth could come from innovation as well as higher sales of existing products (Kaplan & Norton, 1996).

Research indicates the interest in the BSC continues to grow. Applying common measure could actually under use the BSC frameworks capability, since the scorecard is a unique opportunity the carry the nuances of the business strategy applicable to the local unit (Lipe & Salterio, 2000)

Kaplan and Norton in the book “Strategy Focused Organization” lays out the principles for aligning and focusing resources on strategy:

**Principle 1 (Translate the strategy)**

It is important that high level strategies be translated into daily actions. For this we need to draw the strategy maps to communicate the strategy and create the Balanced Scorecards for
first deciding and then working on the relevant initiatives as well as measures and targets to help us realize the operational activities we need to carry out and the targets to know our success and through the measures know if we are moving to the vision objectives.

**Principle 2 (Align the Organization to the Strategy)**
Organizations need alignment for superior performance. Strategic Business Units of Functions often act as islands and refuse to synergize eroding organizational margins. The Balanced Scorecards and Service Level Agreements ensure alignment. Service Level Agreement are mutually set agreements between SBUs, between functions or a SBU to ensure that the right quality of service is met.

**Principle 3 (Make Strategy Everyone’s Everyday Job)**
A few men at the top cannot execute organizational Strategies. It needs everybody. That means both the strategy and the operational initiatives must be known to all people. Strategy Information for sense-making and the Operational Initiatives for the details of the work the employee would need to do. This necessitates that the strategy map and balanced scorecard are communicated to all the players in the company. Every person is incentivized for performance on the Balanced Scorecard Performance Management System Doing so helps people understand what is expected of them which is the answer to the first item of Q12 (Gallup Employee Engagement Journey) and which is known to improve engagement and commitment (Buckingham & Coffman, 1999).

At HPCL almost all the 5000 officers have direct access to HRD our performance appraisal system and filled the goals and targets and measures that would help achieve personal statistics.

**Principle No. 4: Making Strategy a Continual Process**

Strategies are hypotheses which get tested both in the firm and in the marketplace. To make strategy a continual process, budgeting must be in line with strategy needs rather than historical, reviews must be regular and changes to strategy made based on what seems to give results and what does not.

**Principle No. 5 Mobilize Change through Executive Leadership**
Since strategy requires large-scale and widespread change the Balanced Scorecard needs to have the ownership and participation from the top leadership. Without it is very difficult to implement a major initiative like BSC, which would need cross functional coordination and collaboration through service level agreements (SLAs) and also demand huge change effort from all constituents in the organization. The five principles are elicited by Kaplan and Norton as necessary for successful implementation (Kaplan & Norton, 2001).

**The Balanced Scorecard is useful because it helps an organization to:**

i. Focus on strategy
ii. Enhance organizational performance by measuring strategy relevant parameters
iii. Align organizational strategy with initiatives
iv. Foster accountability in every person
v. Work on drivers of future performance
vi. Create performance driven culture
vii. Link communication to vision and strategy

Adapted from Balanced Scorecard Institute (balancedscorecardinstitute.org)

A study of Balanced Scorecard in Indian companies reveals that the implementation of the BSC has led to mixed results. It is seen that the BSC adoption is 45.28% in corporate (Anand, Sahay, & Saha, 2005). It is also seen that there is some difficulty in establishing the cause and effect relationship among the various perspectives viz.: Financial, Customer, Processes and Learning & Growth. Most of the companies in India who have adopted the BSC have claimed that it has helped them identify cost reduction opportunities. It is also seen that liberalization and globalization which commenced in 1991 in India brought in forces of competition not witnessed in a long time. These forces came in the shape of advanced technologies, contemporary management practices etc. Performance evaluation became increasingly important. Financial measures, which tell stories of past performance, were no longer sufficient to assist future results. The drivers of future results often were located in process improvements and learning & growth which were not measured in the traditional evaluation process. Also financial metrics as performance measures were not complete and robust for the purposes of strategic decision making due to their inability to create synergy between management decisions of today and strategies of yesterday which led to such financial performance (Anand, Sahay, & Saha, 2005).
Research on performance evaluation and compensation determination through the balanced scorecard shows increasing number of firms replacing the traditional finance based performance evaluation and compensation system with the balanced scorecard concept which they feel accords a platform for translation of the organization vision and strategy for a) better communication of strategic intent and motivating performance (Kaplan and Norton, 1996).

A study of the Balanced Scorecards in the US Retail Banking Operations in a leading international service provider, it was seen that performance was assessed primarily on earnings. With the implementation of the BSC the metrics changed and they were measure on financial and non-financial parameters. It is pertinent to note that a survey by Institute of Management Accounting (IMA), in 1996 that only fifteen percent of the respondent’s measurement processes assisted top management business goals well.

Financial measures often encourage short term views and actions and therefore compel executive to move focus away from long term strategic goals. Dissatisfaction in the usage of financial metrics to evaluate business results is not normal. As early as 1951, Ralph Cordiner, CEO of GE put a high level task force to locate critical corporate performance metrics. The task force listed in addition to profitability measures like productivity, employee attitude, public accountability and a balance between short and long term goals (Eccles, 1991). The BSC was a concept whose time had come.

The management accounting system should be a framework for assimilating and communicating data to assist and coordinate collective decisions in line with overall goals of a business entity (Askim, 2004). The BSC through its holistic perspective of the strategy and its metrics covering the four perspectives talked about above helps in doing exactly that.

Kaplan & Norton (1996 b, p.149) defines strategy as a set of hypothesis which is about cause and effect relationship. The BSC is a framework where the cause and effect relationship is depicted between one perspective and the other, for eg. between customer and processes, and between processes and learning & growth. They postulate that the BSC should contain both outcome measures and performance drivers which are linked in a cause and effect relationship (Ibid, p.31).
In an important research on the BSC the performance impact of BSC was looked into. Research material was gathered over a three year period where the questions that were framed were in relation to the performance impact with the BSC. The study did not indicate any significant impact result because of the implementation of the BSC on business objectives. This is a contra finding which is interesting since there are several studies which have recorded definitive positive impact (Neely, 2008).

2.5(c) Capability Building and Strategic Readiness and Balanced Scorecard:

Organizational Capability Building and competitive edge are linked (Winter, 2003), and that, Capabilities help in tiding future challenges. Managers may develop capabilities either by focusing on internal resources and capabilities or by outside in i.e. focusing on the external opportunities to succeed (Schoemaker & Amit, 1997). Strategy formulation has been often with a resource view i.e. the strengths and weaknesses of the firm (Wernerfelt, 1984). Organizations have been focusing on the Strength – Weakness (Internal) or Opportunity – Threat (External) matrix. The framework indicates that organizations would accrue advantage by matching the strengths to opportunities and avoid weaknesses or neutralize threats (Barney, 1991). This has resulted in repeated researches on external conditions like the Porter’s five force model (Porter, 1996) and has lacked focus on the internal resources of the firm that could make a difference (Eisenhardt & Martin, 2000). Resource Based Value of the firm presumes that if a firm has resources that are rare, valuable and inimitable then such resources can be used to build strategies which would lead to sustainable competitive edge and are difficult to replicate (Barney, 1991)

The pivotal need of a business firm’s strategy is to manage a dynamic fit between what the firm can do well and what the business climate demands (Miles, Snow, Meyer, & Jr., 1978). Achieving this fit requires that the firm is able to change its processes. A firm must possess dynamic capabilities for its ability to adapt and survive and also leverage potential for progress (Helfat, et al., 2007). The core of the dynamic-capabilities approach is that competitive accomplishment rises from the uninterrupted growth, alignment and repositioning of firm-specific assets (Augier and Teece 2006). However, dynamic capabilities do not appear out of nowhere; they are typically the outcome of experience and learning within the organizations.
A capability could be dynamic or operational and refers to an entity’s ability to perform a particular job or task. Operational capabilities help an organization to earn a living in the present context (Winter 2003). Dynamic capabilities are the abilities to build and reconfigure internal and external competencies and resources to manage and leverage the quickly changing business environment (Eisenhardt & Martin, 2000).

HPCL with the changing business environment after the deregulation of administrative price mechanism in 2002 needed to use dynamic capabilities to reconfigure its internal strengths with existing opportunities in the market and also build operational capabilities and routine which would give a competitive edge. This research should provide me an wonderful opportunity to look at development of new organizational routines which added to our dynamic capabilities.

The BSC is used for measuring intangibles like management performance, quality of strategy, customer satisfaction and employee retention. Information on such soft measures, managers believe can lead to tangible results through effective action. Research reveals that many institutional investors are routing their decisions, at least partially on intangibles or company’s non-financial performance metrics. The researchers found that investors’ perception of improved results on the non-financial parameters have significant impact on share price. By effectively communicating non-financial metrics to potential and present investors firms can positively impact share price (Light, 1998).

It is interesting to know that one of the largest oil companies Mobil had benefitted most from translating their vision into daily actionable items with the help of the BSC. It compelled them to work in line with the strategy and also to articulate it publicly in an effective manner. Linking the scorecard to compensation helped Mobil in increased awareness on the expectations for driving organizational performance. It also resulted in higher degree of alignment and frequent reviews (McCool, 1996).

In an article “The Human Capital Factor at Hindustan Petroleum” (Koch & Sen, 2009) is quoted as the example where vision was co-created by people and customer delight was articulated. The organization realized that the vision could not be achieved through management edict and started a process of co-creating visions, building customer focused
strategies with people from the front lines in cross functional teams. This was a strong stimuli to research further on this issue (ibid).

At HPCL Teams then created BSCs as per their co-created visions. The major deviations from Kaplan and Norton theory is that the visions were co-created and instead of cascading scorecards from the higher level scorecard, scorecards were built from visions of the team that were in alignment with the organizational vision. The process should be explored both as an addition to the existing BSC practices and for the insights on other outcomes that may have arisen due this process.

Research on the BSC implementation at TESCO throws up important findings. Though counterintuitive they closed the strategy department, because the CEO felt that strategy is everyone’s job. They realized the need of distributed leadership as key to strategy implementation and need for managers to take risk. Tesco worked on these cultural elements with BSC as the “Steering Wheel.”

Mobil built through the strategy map on the Balanced Scorecard framework built a revenue growth strategy to expand sales into a new area. They would in the gas stations offer convenience stores, ancillary automotive services for e.g. minor repair facilities and automotive products like lubricants etc. Mobil had a full range of products and services and focused on being the lowest price seller catering to all segments of customers. This strategy failed and resulted in adverse financial outcomes. Now Mobil strategized differently based on the strategy map. They planned to sell more premium brands and therefore segmented the customers to be able to focus with products and services on the segments that could afford them. A segment which had little loyalty except price and would switch to the gas station offering lowest price were not factored in for building customer value proposition.

They discovered in the processers that to benefit from this strategy they needed speed of operation as a differentiator at their gasoline stations and build people capability and infrastructure accordingly. To make the processes function smoothly the needed the dealers to cooperate and also in fact assist. They therefore decided to partner the dealers and shared the additional revenue from convenience stores and other services with the dealers. Thus the financials that they wished, demanded focused customer solutions, which impacted their
process strategies and finally their capability building or learning and growth coupled with the right infrastructure (Kaplan & Norton, 2000).

This case study on Balanced Scorecard has specific significance, since it is from oil major like HPCL and was talked about by Dr. David Norton when he came to HPCL, when we kick started the BSC process and many of our initiatives and strategic actions were in line with the best principles of BSC. Also since I headed the Balanced Scorecard Initiative at HPCL for about 2 years during which time we received the Balanced Scorecard Hall of Fame for excellence in execution from Dr. David P Norton at Manila in 2010, the usage of BSC as a vision translation, strategy formulation, communication, execution, monitoring and review mechanism at HPCL for gaining theoretical insights is of personal significance to me.

Where HR has been often referred to as Strategic Partner – the hypothesis needs to be measured. People capability and motivation are key factors for effective strategy execution. Continual development of people with strategic skills should be therefore the most important agenda item for HR. Yet often the agenda items of HR are full of the mundane like increments and appraisal frequency. The Top Non-financial Variables considered by Financial Analysts include Execution of Strategy at no 1 , Ability to attract and retain talented people at no 5 amongst others. (Becker, Huselid, & Ulrich, 2001). The non-financials considered by finance analysts as seen from the above demand strategic readiness of people and opportunities to learn and grow. Capability Building I believe is therefore a business need.

2.6 Conceptual Model from Literature Review for the Research

Conceptual framework or conceptual lens is in simple terms the researcher’s current map or territory of the research issues under investigation. As the researcher’s knowledge of the terrain advances the map becomes more integrated and differentiated. Initial map could be from the present level of knowledge and available literature (Miles, Huberman, & Saldana, 2014).

Research helps build theory which can be justified by evidence. In doing so, researchers seek conceptual and theoretical understanding(Knolbloch, 2003). Scientists are guided by the
principal of posing significant questions that can be investigated, empirically, and link research to relevant theory (NRC, 2002) so that the research gaps can be appropriately addressed. The literature based examination compares and contrasts the outcomes of the research process with a broad range of literature to support or challenge the theory built (ibid).

The amount of conceptual content or structure that could guide initial stages of a research project has been discussed (Eisenhardt, 2000)(Strauss & Corbin, 1990)(Glaser & Strauss, 1967). There are two extreme positions:

1. Pre-conceived notions are to be minimized so that the researcher is maximally sensitive to concepts that arise from data which implies little pre-defined structure. We have used this paradigm but as the grounded theory progressed we looked at the emergent concepts and explored the associated literature.

2. Pre-conceived notions are used to focus the research and maximum benefit gained from scarce research resources which implies a kind of pre-defined conceptual structure (Carroll & Swatman, 2000).

A theoretical framework or a conceptual lens compels us to be selective and to decide what is important and which relationships are likely to me more meaningful. This helps us focus on relevant information at the outset (Miles, Huberman, & Saldana, 2014) and thereafter as the framework becomes more robust the researcher can develop further plans of collection based on the emergent theory.

The literature review in the preceding chapter has been the basis of drawing the initial conceptual lens which would be the guiding factor to understand what the present literature says, how the concepts are inter related and what are the possible gaps that we need to research on to add to the robustness of prevalent theory even though the emergent theory may be substantive. Also in the process defined the major themes relevant to the research as available from the literature review.

As the research progresses and achieves saturation, we would be able to see how the emergent theory adds, alters and negates the initial conceptual lens and its integrated relationships on the major themes. The conceptual lens would also provide as an opportunity to have discussions with experts on what could have been missed from the available literature.
2.6(a) Organizational Vision

Looking at the literature it emerges that the organization vision is the cause of certain phenomena like prediction of organizational outcomes and superior performance. It is associated with being an idealistic future or a mental model of the organization’s future. It attracts people and is also associated with big, hairy, audacious goals.

As a concept, therefore, an organizational vision for the purposes of my research is defined as challenging goals related to the idealistic future of the company which attract people and leads to superior performance.

2.6(b) Transformational /Emotionally Intelligent Leadership

Literature review by me associates throws up two paradigms on Transformational or Emotionally Intelligent Leadership:

a) Transformational leaders articulate a compelling vision which creates resonance and sets a positive tone for the future. They enable people to find meaning in goals that are worthwhile and provide clarity on objectives. They also assess the gap between the current reality and the vision and help create strategies to bridge that.

b) The other paradigm talks of co-created visions in an organization where the boss and members through a collaborative process create a shared vision. This paradigm espoused by Peter Senge does not find empirical evidence in any leading Fortune 500 organization as far as research is concerned. However, we followed this process at HPCL which makes it all the more relevant for the usage of grounded theory to enable the theory to emerge from the documents and interviews of the people involved in co-creating visions.

We would like to define Transformational Leadership based on the two paradigms as below:-

I. Transformational Leadership relates to the ability of a leader to articulate a compelling vision which creates resonance and sets a positive orientation about the future. It also compels people to look at the present in order to
ascertain the gap that they need to bridge to reach the vision objectives. It helps people to find meaning in their work as they pursue worthy objectives.

II. Transformational Leadership relates to the ability of a leader to help his people participate for co-creation of a vision which sets a positive orientation about the future. It also compels people to look at the present in order to ascertain the gap that they need to bridge to reach the vision objectives. It also helps create meaning in people’s work in the pursuit of objectives that they have defined as personally meaningful.

2.6(c) Organizational Vision and Longevity

Research, as brought out in the literature review, has established a co-relation between organizational vision and longevity. However, it may be difficult since HPCL is a Govt. of India company and its longevity is not necessarily connected to financial performance. Also, since the process of visioning commenced only about 10 years back on a co-created basis, it would be too early to tell.

2.6(d) The Power of Goal Visualization

Goal Visualization help program our mind for focused attention and curbing deviant behaviour. It also enables us to have self-feedback on our progress. The process of visualization enhances the memory of the goals and we indulge in feed forward system which enables us to take decisions which would be best to achieve the future objectives.

2.6(e) Visions are Dynamic

Visions are dynamic and they get continually revisited as we move closer to the vision objectives. This is so because as we get closer to the vision the vision objectives no longer remain challenging and people enhance the objectives both for mental stimulation as well as to find challenging goals which are meaningful.

2.6(f) Alignment

Organizational visions help people align along a common set of goals and commit them towards achieving the same through collective efforts.
2.6(g) Self-determination theory

The self-determination theory focuses on the need of creating intrinsic motivation to have an internal locus of casualty for meaningful work. The co-created visions at HPCL ensured that. There is little or no empirical evidence or research which has experimented into the self-determination theory postulates in a Fortune 500 company with about 4000 people co-creating visions over a period of 10 years.

2.6(h) Goal Theory

The dominant goal theories do not find the need for co-creation of a vision but talk of clear goals being set by management as sufficient condition for superior performance and goal focus. We at HPCL have not followed this process.

2.7 Linkage of personal vision to organizational vision

The importance of personal vision has been repeatedly researched and has been found to be the key stone for individuals to change. Linking the personal visions to an organizational vision finds little or no research and this research could look at the robustness of this process. Definition of personal vision as per the literature review and for this research is:

a) A distant and desired future which we deeply care for

2.7(a): Linking day-to-day work with vision objectives

The literature review clearly brings out that while distal goals are energizing and future objectives interesting, we need proximal goals both for feedback as also for deciding on concrete action to achieve results. Proximal goals help us with clear milestones and accomplishments build self-efficacy and beget happiness. They also enhance intrinsic motivation in the activities. The Balanced Scorecard was instrumental in helping us understand how the distal goals could be broken down to proximal goals so that there would be alignment between short term and long term objectives; helped us concretise plans for implementation.

Also holistic approach in the Balanced Scorecard methodology of deriving the internal processes of business from the customer value proposition and thereafter deciding on the strategic competencies which would be necessary for internal processes helps build strategic capability and created strategic readiness.
2.7(b) Achievement Orientation

Achievement orientation from the extensive literature review talks of individuals identification with the organizational goals where positive involvement, their intrinsic motivation and persistent striving for achieving challenging objectives. This is the definition we follow for the research.

2.7(c) Customer focused Strategies

Strategies in a business organization would mean satisfaction of the segment of customers we wish to serve. For the purposes of this research customer focused strategies means creating strategies by identification of customer needs, creating products and services in line with those needs and exceeding commitments to delight them. Customer delight for us would mean a positive emotional experience of the customer availing our products and services.

2.7(d) Team and Teamwork

A team for the definition of this research is a group of people with complementary skills committed to a common vision and hold themselves mutually accountable to agreed objectives.

2.8 Conceptual Model

The literature review suggests or validates relationships. The constructs as derived from the management and research literature is weaved into a conceptual model which is shown in the next page
Figure 2.9 Conceptual Lens on Process Diagram of Co-Created Vision and Associated

Transformational Leaders
- Articulate Compelling Organizational Vision

Organizational Vision
- Positive Mental Model of the Future
- Challenging Goals and Attention Focus
- Goal Clarity
- Challenging Goals
- Meaning in Pursuit of Worthy Goals
- **Personal Meaning in Self Determined Goals**

Transformational Leaders
- Enable People to articulate Compelling Organizational Vision (anchored in Personal visions through Goal Visualizations) (Shared Vision by Co-creation Process)

Collective and Individual Ownership to Organizational Vision Goals

Collective Intrinsic Motivation (Self Determination Theory) and Willful Action and decision to meet vision objectives

Participative Customer Focused Strategies by **Cross Functional Teams**

Participative Balanced Scorecard Creation for Strategy Implementation
- Vision objectives related to Work activities
- Looks at the short term in alignment with long term
- Proximal Goals set from **Co-Created** Distal Goals

Deciphering Strategic Competencies and Building Competency Model for implementing strategy

Organizational Results
(Business, Customer, People, Corporate Social Responsibility, Sustainability)

Capability Building and Strategic Readiness
The solid redlines and the text underlined as can be seen in the above figure is the hypothesis advised and suggested in management literature but do not find research evidence in business organizations of India. Also initiatives like vision, strategies and balanced scorecard running on co-creation basis for a period of ten years is not seen in any organizational research.

HPCL adopted the process of co-creation in the vision, strategies and also the balanced scorecard by the relevant teams and this research helps us to explore and understand the process. The process of co-creation was well known to the researcher as he was involved in many of the change processes at HPCL as an internal coach.

In organizational vision when the personal vision is the anchor; people can relate to the organizational vision as personally meaningful in line with the self-determination theory. This is marked in red. All such Elements which do not show research basis from any Fortune 500 company but is the process followed at HPCL has been marked in red and the unresearched themes in the boxes underlined. The above formed the conceptual lens for continuing the research.