Chapter 4
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4.1 Realizing the Need to Change:

**Category 1: Awakening to the need for Metamorphosis: Energize People to Change**

During conversation and interview in the organization a clear pattern emerged. People across levels talked how in 2002-03 there was a perceived need to change. Right from the Chairman to Executives at different levels of management talked on the need for change in view of the fact of the sure and steady withdrawal of entry barriers, arrival of multinational and Indian private firms in oil sector.

As we coded the interviews it was realized that there was the need for change. The phenomena were due to the causal conditions mentioned above. The realization that the need for change was the phenomena arose while coding the interviews with ATLAS.ti. Coding incident to incident, certain common factors emerged. After a period the interviews yielded no new codes denoting saturation. This category realization for the need of change is thus named as: **Awakening to the need for Metamorphosis: Energize People to change**

It is the process of metamorphosis which transforms one for better. HPCL as the visioning workshops went repeatedly talked of a better and brighter future with themes like delighting the customer, great place to work, innovation, improved market share dominating the aspirations of over 7000 people. People in the interviews also talked of the dominant need for positive change in HPCL.

Mr. Arun Balakrishnan, Director HR in 2003 and C&MD of HPCL and, in his interview dated Nov. 05, 2010 said:

“'The Petroleum sector basically was actually controlled by the Government. All aspects of the trade were controlled. In the mid-1990s the industry started opening up, the government started opening up the industry in India. For the first time we were about to get some private players into the bargain. So the company realized that we ought to change, and ought to change drastically so that we are able to compete with the private sector.
In early 2000 we were surprised to note that we really did not know who the customer was. When I became Director of HR in around 2003 we started the process of bringing transformation in the organization and we went about the process in which almost every employee was involved in finalizing or arriving at what was the vision for the company”.

Here the C&MD voices the need for change to remain competitive in the altered environment where private sector participation had become a reality. With the government opening up the industry, business as usual was no more possible. It is interesting to note that the need for change was articulated at the top level. The diagram of the concepts in relation to the category Awakening to the need for Metamorphosis: Energize people to change is mapped and networked as per the relationships that emerge from the above interview and is diagrammed in the next page.
Figure: 4.1 C& MD’s interview coded in Atlas.ti bringing out the category Need for Change in Peoples’ Attitude
4.2 Constant Comparison of Interviews for concepts

Mr. Arun Garg working in Central Purchase as Chief Manager when interviewed said:

‘Project organization Transformation was started in HPCL in the year 2003 when the Indian Government had already decided to privatize HPCL by divesting its share in the Company. Due diligence had also been commenced by the entities interested in taking over the reins of the Company. When the applications were invited by HPCL to select Internal Coaches for spearheading the Project Organization Transformation, there was a widespread apprehension in the applicants that in the event of Company getting privatized, they could end up being amongst the first ones to get the pink slips’.

When coding of the variables it was obvious that pink slips are being talked about when HPCL was about to be privatized. As an employee who had worked for about 2 decades in the organization Researcher was familiar with a large number of employees. Many voiced disquiet and anxiety on job continuance if HPCL was privatized. The impending privatization was a perceived threat by many employees. Added to this was the liberalization policies and large-scale entry of Indian private companies and multinationals. Management realized the need to transform and energize the employees. The management thought co-created visions would be the vehicle organizational transformation. Since need for change in the company had now become a shared realization as seen from the interview, company records and articles on HPCL coding led to the category:

Mr Arun Garg’s interview was coded. Therefore the codes were causally linked in a diagram derived from analysis of the textual analysis through Atlas.ti, brings out the code and category in Figure 4.2 in the next page.
Figure: 4.2
Both the interviews of the C&MD, Shri Arun Balakrishnan, and Ch. Manager, Mr. Arun Garg, depict that the government liberalization policies, entry of private place and multinational. The decision of the government to privatize HPCL impacted employee morale adversely and also brought in the need to be HPCL more customers centric. All this casual factors resulted in the phenomena of HPCL awakening to the need for metamorphosis: energize people to change.

4.3 Executive Commitment and Wisdom

It was the then Chairman & Managing Director, Director HR and other senior people who felt the need for change and acted on the need by appointing a team of coaches, communicating to the people on the need of change and created structures for holding the co-created workshops.

But the realization meant that action should be initiated to make the change happen. And therefore the Top Management Commitment to Change Initiative is imperative to make transformation happen.

Mr. ArunGarg was also an Internal Coach and Ch. Manager, North Zone states “Indian government had decided to privatize HPCL in 2006 by divesting its share in the company”. Due diligence had commenced by entities interested in taking over the reins of the company. When the applications were invited by HPCL to select Internal Coaches for spearheading the project Achieving Continuous Excellence, there was widespread apprehension that they could be amongst the first to get the pink slip. He had also stated during my talks with him that employee morale was low. In fact we were witnessed to strike notice from employees during the period of 2003.

Mr. Surya Rao (presently functioning as DGM –Internal Audit and was earlier one of the team of internal coaches) when interviewed talked of Project ACE which was the project where 14 internal coaches were selected and trained by HPCL to create co-created visions, strategies to achieve the vision said:

‘ACE is meant for transformation in HPCL to face the challenges fulfilling the demands of customers in market driven businesses. Those powerful strategy, structures and systems that derived wonderful results in past became constraints now in changed market scenario.
Purpose, processes and People, have become more important and leadership played vital role beyond management. Leadership requires inspiration, alignment and motivation over and above the Management of Planning, organizing and controlling. The Command & Control has given way to Teamwork. Achieving new heights in innovative way became essential to maintain Growth and Development. Organizations began to look for Future that employees collectively desire. 'ACE helped employees to come together and articulate their collective aspirations into Organizational Vision.

A team of coaches were selected from different business unit from the middle management like senior and chief managers. The expectation from the coaches is the transformation of the entire organization. That time, the background was globalization, liberalization and privatization. They wanted to modify the PSUs according to the market scenario.

Suddenly we had to become customer oriented…in the change scenario they said that the customer should be satisfied and delighted by the services you are providing.’

The above interview was coded and the concepts and properties to the category were linked with relationships as established from the interview and the diagram is shown in the next page.
Figure: 4.3
Again, it is seen from the analysis of the text and the coding therein that casual factors like impending privatization, changing market scenario, liberalization and globalization were strong determinants for need to change and as realization dawned it was felt necessary that HPCL be transformed into a customer centric organization through a team of Internal Coaches who would facilitate the process of co-creating visions etc.

Based on data collected and interviews conducted by Palladium Inc. a corporation which has Dr. Robert Kaplan and Dr. David Norton (Who are co-creators on the concept of Balanced Scorecard) as directors, The Balanced Scorecard Report published by Harvard Business Publishing brought out how HPCL had created change by energizing people. The article talked on the liberalization, then prevalent culture of compliance and the civil service mindset of the people which were contra to good customer service (Koch & Sen, 2009).
Figure: 4.4
The analysis would be incomplete without the views of the Chairman of HPCL at that time 2003-2007 Mr M B Lal. In the AGM report he said:

‘In our organization pyramid, the base is our employees who continue to serve with dedication.

Our thrust has been to enhance the capabilities of our employees to meet the requirement of changing market dynamics and environments. It is also our endeavor to ensure that all the activities of different functions are aligned with the overall corporate objectives. The ongoing HR initiatives such as “Competency Mapping” … and “Balanced Scorecard” approach to fix performance targets and evaluation are addressing the core of the above requirements.

Encompassing all these initiatives, the organization transformation exercise for achieving continuous excellence is also progressing well and a large segment of employees have already gone through this change management process.’

The network diagram displaying the coded interview is as below:

![Network Diagram](image)

Figure: 4.5
The process of change therefore had the complete commitment of the top management; they realized the need for customer focus, empowering, enabling and enhancing capabilities and the value of vision. It also talks of Project ACE as the initiative encompassing all initiatives of change.

Many Interviews were coded including the above to come to the understanding how HPCL awoke to the need for metamorphosis and the necessity to energize people to effect the change. As was said in the interviews that organization needed to change and for that the people needed to change. Also management edicts would not work and HPCL needed a co-created vision to help create a realization in the people to change into an customer centric organization. The codes had to be grouped to form the concepts and sub-categories. One of the concepts that related to the category 1 is from these interviews. The codes were grouped into code families. An example is depicted below:

![Diagram showing the relationship between various codes related to the category 1](image)

**Figure 4.6**

Thus the family code or concept **Building a change management team: Project ACE** has been derived from several codes in the interviews.

Similarly the following other concepts or family codes are derived from the Interviews related to the Category 1 and diagrammed in next page as Figure 4.7.
Analyses of the all of the above interviews and article on HPCL and the emerging concepts have been linked with Category 4 in the above Atlas.ti network diagram which show the need for realization to change as a factor as a key for action to change.
What has been brought out in each of the above three interviews of employees, one journal articles and a AGM Speech of then CMD is the phenomena or the category: Realization of Need for Change. When we get deeper and look at a more abstract category which would go beyond the substantive, we realize that people felt a deep need for transformation or metamorphosis, including changes in the cultural aspects of HPCL, for e.g. being customer centric from customer apathy. Therefore, this category is named as “Awakening to the Need of Metamorphosis”. Since this metamorphosis could be achieved not by management edicts but by intrinsic motivation of people as gathered from the interviews “need to change” and “need to energize people for change became inseparable. The category thus is labelled as “Awakening to the Need of Metamorphosis: Energize people to change”.

4.4: Explaining the Category

The category that arouse from the data and which needs to be theorized is: Awakening to the need for Metamorphosis – Energize People to Change.

<table>
<thead>
<tr>
<th>Category</th>
</tr>
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<tbody>
<tr>
<td>Awakening to the need for Metamorphosis: Energize People to Change</td>
</tr>
<tr>
<td>Definition: A realization by the Senior Management on the need to change to meet present and future competitive forces and energizing people to accelerate individual and organizational change</td>
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<th>Casual Conditions</th>
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<tr>
<td>1. Liberalization Policies brought Down Entry Barriers: Entry of New Players</td>
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<tr>
<td>2. Need to Meet Market Challenges and Beat Competition</td>
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<tr>
<th>Intervening Conditions</th>
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<tr>
<td>1. Top Management Commitment to Change</td>
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<table>
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<th>Strategies</th>
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<td>1. Building Project ACE Team</td>
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<table>
<thead>
<tr>
<th>Consequences/Properties</th>
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<tbody>
<tr>
<td>1. Customer - Centric Organization</td>
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Figure: 4.8
4.4 Theoretical Explanation and Theoretical Contribution:

The above Network Diagram links the category the causal conditions, strategies, intervening condition and consequences from analysis of the interview parts on the need for organizational change through change in the people.

As is clear from the above; the compelling conditions of increasing competitive forces and lack of capabilities to meet the market challenges coupled with low employee morale necessitated the case of change. Project ACE was conceptualized by the Top Management and they displayed commitment by building Putting Project ACE Team. The Project ACE team was to roll out initiatives which would help HPCL to become customer centric and also build capability in employees.

Perusing the literature on the subject of organizational change there were new elements in the model adopted by HPCL. The model opted for change and transformation by HPCL consisting of Building a Project ACE (change management) team. Internal Coaches were selected from within HPCL but without HR Background to handle the important HR initiative of change. This is not seen in available literature on change. In crisis the model adopted for change is not building consensus but driving in objectives as mandated by management in view of limited availability of time for turnaround.