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# Teleological Dynamics of Organizational Performance: From Process to Practice and Perfectionism

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## ABSTRACT

Workforce education forms one of the core aspects of organizational learning which aims for performance as well as efficiency. Learning is goal oriented in business organizations. Organizations activities are highly oriented towards customer satisfaction. Organizations learn from practice and delivery of services to meet consumer needs and necessities. Perfection, efficiency and smart practices define today's multinational organizational culture. But how multinational organizations achieve such perfections in their business operations? This paper addresses this issue by linking teleological aspects of learning and practice to performance, adoption of routines, and learning-induced adaptation in order to explain how they achieve "perfection" in practice and operations. The paper furthermore attempts to study a particular aspect of organizational (teleological perfectionism) process by modeling scenarios which define goal oriented organizational learning and adaptation, and underpins how such teleological processes effectively benefits organizations in the long run. Conclusions drawn up from an example being modeled in this paper suggests that the role of teleology, or teleological dynamics play significant role in shaping today's organizations and help explain some (or high) degree of perfectionism in their operations.

**Keywords:** Teleological perfectionism, learning, motivation, routines

*JEL Classification:* C72, D23, D83

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## 1. INTRODUCTION

What are the fundamental factors essential for firms and organizations to achieve perfection in production and service deliveries? In other words, what are the dynamic factors that drive perfection in production and service delivery of a firm? The concept of lean production or *lean management* (Womack et al 1990) is well attributed in the

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The views and opinions expressed in this paper are entirely my own and do not necessarily represent the views of Andhra University or any other entity. Please note: This is a much revised version of a manuscript with a same title submitted to the The IUP Journal of Knowledge Management.

manufacturing industries, particularly in Japan. For instance, concepts like *Kaizen*, *Just-in-time* have been widely discussed in the literature of management (See Golhar and Stamm 1999). However, its (lean management's) implementation in service organizations is only recently being studied (Hanna 2007, Damrath 2012). In fact there are as many factors that drive perfection in production and service management (Damrath 2012), but some of the most important factors, according to us, are goal-orientation, organizational routines, and workforce learning. Whereas goal-orientation has teleological foundations (Cayla 2008, Feuerhahn 2009), routines confer stability to organizational operations (Feldman 2000) and help develop capabilities in a dynamic sense (Zollo and Winter 1999). In this paper, we concentrate our study on customer service quality and service quality management. That is, how organizations can aspire to attain perfectionism in service delivery to their customers. Flawless performance in organizational operations related to customer service is a much desired attribute, but difficult to achieve in practice. Good organizations aim for perfection in organizational operations related to excellence in customer services. In fact Kolzow (2012) has stressed on the aspect of managing for excellence and outcome-based performance that 'focus' on the customer. Customers prefer organizations which are customer-centric and which excel in service quality management (Zeithaml et al 1996). In effect, the concept about the origin of the philosophy of customer service could be traced back to Nordstrom (2001), who was among the first few to have helped to cultivate the organizational culture of customer service excellence. J.W. Nordstrom affirmed (Spector and McCarthy 2005)-

*“Do whatever it takes to take care of the customer.”*

The aim of this paper therefore is to search for a possible link between teleological theories with the perfectionist philosophy of performance in organizational service culture. We assume that some organizations employ perfectionist approaches in service delivery to retain customers and to expand their businesses leveraging on their excellent service quality management. Our assumption is based on the fact that several convenience store chains have adopted some degree of perfectionist approaches in their daily routine operations related to customer service and quality service management. The rapid expansion of convenience store chains across countries and regions points to this fact that customers have a high regard for those businesses that maintains a high quality of service culture (Parasuraman et al 1985) and provides an environment of “convenience” and ‘superior service culture’. In this paper, we explore to analyze the nature of customer service in

convenience store chains to elucidate whether if there is any such evidence of perfectionist approaches in customer service management being adopted by these retail store chains. One of such convenience retail store chains is the 7/11, which has become an iconic brand in the business of convenience owing to its excellent service quality management practices. And there are many other multinational convenience store chains those who have either followed the footsteps of 7/11 or cultivated their own organizational culture similar to 7/11.

For it is imperative to analyze and elucidate how this retail convenience chain is so successful with its organizational business model that it has become the world's largest operating convenience store chain surpassing McDonalds (a fast food retail giant) in number of retail outlets across the world. This international chain- the 7/11 operates 56,400 stores in 18 countries, compared to MacDonal'd's 36,000 outlets in 119 countries. It has been assumed that 7/11 employs some sort of perfectionist approach to customer service delivery, which exists in Japan and elsewhere. Besides, the organizational culture and organizational practice of convenience stores are highly goal-oriented, the reason we assume that they have adopted perfectionist approaches to customer service and store front management. Furthermore, we also assume that the organizational culture of convenience store provides a challenging as well as an excellent learning environment for their workforces to learn, adapt and to deliver superior performance despite having the image of long hours, low pay, and lack of future (Vastine 1976). However, the general objective of convenience stores is to serve customer, and serve them efficiently by creating a *micro-environment* wherein customers could efficiently self-service themselves at their own convenience. The result is that, these C-stores have been successful in creating such a customer-oriented environment that operates on the philosophy of excellent service culture. As Vastine (1976) has elucidated, if people are to perform proficiently, they need to be aware of goals, purpose, and performance standards. Thus, we can perceive that there exists a dynamic link between goals, purpose, and performance standards. Therefore, our endeavor in this respect is reasonable; i.e., to elucidate if there is any link between teleological dynamics and the approaches adopted by these storefronts aimed towards perfectionism in service quality management.

## **2. Objectives of this research**

Evidence of smart practices in modern organizations aimed towards performance maximization points to the fact that customer-oriented

activities of business firms demand a high degree of flexibility, adaptation, and excellence in operations management. Operational excellence depends on the ability of the workforce to deliver services optimally that would satisfy customer needs and necessities. Workplace activities are highly goal-oriented that often explains perfectionist approach as a specific form of human excellence. Organizations train their workforces accordingly to achieve some degree of operational advantage so that employees are able to deliver their services efficiently, and without restraint. Organizations also learn from other organizations how to be more efficient and smart. The information embedded in such learning points to teleological dynamics of organizational culture, goal-oriented behavior and work practice. This paper discusses the underlying teleological dynamics which embody such goal-oriented activities that are aimed towards perfection in performance delivery to gain customer equity. In doing so, the paper addresses the renewed interests in perfectionist theories and outlines the theoretical aspects that underline teleological dynamics of organizational behavior. Today, most multinational business firms and their subsidiaries aim for flawlessness and efficiency in service deliveries. Competition is driving companies (as well as individuals) to achieve a high degree of perfection in activities related to their professional frontiers, production, or service deliveries. Customers as well are seeking excellence in performance from organizations and firms. These aims and demands are setting new standards in firm-level performance. So what factors are driving such fundamental changes in firm performances? Several studies have highlighted the pervasive importance of goal setting behavior (Locke & Latham 1990, Vande Walle et al 2001) and goal-oriented behavior in organizations (Button et al 1995) behind these changes, whereas others have stressed how goal-oriented learning positively affects organizations' performance (Chien & Hung 2001). The goal-setting theory of motivation was provided by Locke and Latham (1990, 2002) who examined the influence of goal on employee behavior and performance (Lunenburg 2011). Goal setting theory is intrinsically related to motivational processes which could explain performance outcomes (Radosevich et al 2007). Besides, Lunenburg's study revolving around the concept of motivational impact of goal have elicited that managements adopt some form of goal oriented programs, for instance, management by objective (MBO), benchmarking, high-performance work practices, etc. While these studies have definitely highlighted the importance of goal-oriented learning and behavior in relation to employee performance, our study is a further step towards similar attempts to educe the exact reasons behind such correlations. We propose that managements adopt such goal oriented programs not just

to motivate and drive employee performances, but they seek to attain some degree of “perfection” in their operations related to routine jobs, production, innovation, sales, marketing and finally, service delivery. In such parlance, this paper explores the link between learning goal orientation and performance which we believe is an implicit one, and thus needs to be re-examined. It is important to establish correlations between learning in organizations and employee performance, and then ascertain how the former (learning) affects the latter (performance) particularly when learning becomes goal oriented. Goal oriented learning is embedded within the principles of teleological foundation. The role of reasoning behind cause and effect of organizations activities is a subject matter of great interest to the scholars and management practitioners alike. This paper therefore attempts to underline the importance of goal oriented learning behavior in organizations by linking *teleological aspects* with *organizational performance*. The aim and objective of this paper is to study and analyze how routines and goal-setting behavior can deliver excellence in performance and service delivery. Furthermore, we endeavor to understand how teleological dynamics related to workforce learning play a part in attaining perfectionism in what organizations generally do best, beyond making profits.

### **3. Goal Orientation and Goal Setting in Organization:**

Most modern organizations rely heavily on technology and expertise to carry out their operations. Technology requires information whilst expertise demands practical knowledge about such technologies and processes that organizations utilize. Both information and knowledge is gained from learning and practice. Learning has thus become an indispensable aspect of today’s organizational culture (Argote, 2011). Organizations perform better when their workforces are knowledgeable, goal-oriented, and motivated. A skilled workforce that works as a team learns how to work together more efficiently by using resources in most resourceful manner. Organizations exist for some reason; i.e., to provide some services or products which the consumers require. Hence, it can be appositely understood that organizations satisfy consumer demand, and consumers derive satisfaction from organizations’ services. To improve on and provide better services, organizations adopt many innovative strategies aimed to attract and retain their end users (customers). Customers prefer those organizations that are able to blend excellent service delivery with convenience, aptness, and innovation. They also feel attracted to businesses that are highly customer-oriented, well-organized, and efficient. Modern organizations run on tight work-schedules to meet deadlines, without compromising on their quality. These pre-requisites (efficiency, aptness, and better services) enhance

the value of services and goods delivered and can be reckoned as implicit *goals* of modern day organizations. In fact Lunenburg (2011) states that deadlines enhance and boost the efficiency of goals. For this reason, multi-national organizations adopt certain benchmarking practices to ensure that these goals are met while at the same time assure that the product and services they deliver ought to be of acceptable and good quality. Eliyahu M. Goldratt & Jeff Cox (1984) explained in their book “The Goal” how bottlenecks as constraints could appear which can have adverse effect on performance, if not dealt with. To implement organizations’ goals and to ensure that constraints are identified and removed to improve outcomes (performance), it is important to understand the nature of work routines and processes (procedural knowledge), and then, how to fix them when something goes wrong. Routine work is a goal oriented performance. Working on tight schedules is therefore a process-oriented operation which often involves repetitive tasks (sequence of actions). Processes and practices in organizations are mostly organized based on formal routines. Routines constitute the processes through which organizations’ goals are implemented, since organizations actions are intentional and goal-oriented. Workforces are hired to *work* for a *reason*. Almost all modern organizations are goal-oriented entities that have some form of goal setting practices in operation (Lee, Locke and Latham, 1989; Lunenburg 2011). Goals are important to orient the workforce towards better performance; i.e., to motivate them, and to streamline their operations (DuBrin, 2012). Besides, organizations which have adopted goal-oriented learning practices (learning goal orientation) are shown to perform better (Button et al, 1995; Vande Walle, 2001). This concept pertains to intentional aspects of learning, self-efficacy (Bandura, 1997) and employee education that mutually benefits both the learners and their organizations. This is highly relevant since modern organizations thrive on several parameters of performance and efficiency; i.e., they strive to attain a high degree of flawlessness or “perfection” and efficiency in their respective business operations. It is for these reasons organizations adopt and enforce routines to manage goal-oriented tasks. Routines help to facilitate and simplify complex tasks by organizing them into definite sequences. Employees are required to learn and understand these formal routines to enable the organization attain its goals. Learning is thus an important aspect of organizational culture. However, routines are often monotonous; for the reason that managements’ duty is often aimed to motivate and stimulate a learning-oriented working environment in business enterprises which should be inspiring, and likewise, encouraging. The nature of organizational learning is mostly intention-driven goal-oriented or process-oriented; i.e., based on *teleological*

foundations. A teleological process therefore symbolizes an intentional goal-oriented learning process (Cayla 2008).

#### **4. Looking at Organizations from a different Perspective**

This paper attempts to look at organizations from a different perspective- beyond the conventional money-making machine. Indeed the goal of a business organization is to make profit, and there are various tools for measuring the goal; i.e., net profit, return on Investment (ROI), throughput, inventory, etc. However, our view takes an entirely different and includes a wider criterion by looking at organizations and their workforces in terms of ontological perspective: i.e., it attempts to view the existence of complex interactions between organizational workforces and learning, adaptation and goal-orientation, routines and performances as unified but co-linked aspects of organizational existence that defines one of the central tenets of organizational ontology. Organizations provide services and makes profit out of it. But this is a much undemanding ontological perception. Hence, following Schipper (2010), we include several other criteria to view organizations from an epistemological perspective. Organizations not only make profit or compete for resources, but they thrive to achieve excellence in performance and practices to stay competitive by building *smart* brand image. For example, the operating philosophy of most if not all of the convenience stores (see Textbox 1 & Table 1) are grounded on swiftness in service delivery round the clock (24/7), and they thrive on “performance perfectionism”.

##### *Process Oriented, Practice Oriented Perfectionism, or Adaptive Perfectionism?*

Convenience stores (C-stores) across Asia-Pacific, Europe, North America and elsewhere have adopted highly goal-oriented strategic retail business models to increase their attractiveness and customer footfalls, and there are even fierce competitions among them for customers and locations. Iconic convenience stores (See Fig.5 in the Appendix) like the 7/11, Circle K, Family Mart, Lawson, AEON, and Chinese C-stores like Haode, Kedi, and Quik are driving youth-oriented punter culture (PC) across these regions. These store-fronts (organizations) are leveraging their expertise to increase their store counts in most tourist destinations across these regions. Their goal is to exist as something *more* than just “a shop”. The convenience of having “all-under-one roof”, i.e., from groceries (including ready-to-eat foods) to buying tickets, beverages, printing or photocopying, banking, and relaxation or leisure, works on the principles of 24/7 service delivery with precision. These organizations have blended business with culture and convenience quite effectively. Furthermore, the service behavior and service performances of these C-stores tends to be highly goal oriented, which also relates to the fact that such a conceptual model can be proposed that studies the relationship between goal orientation, service behavior, and service performance (Chien & Hung 2008). Since these mini marts thrive on service delivery, it may be interesting to explore further whether if these employees with



higher learning goal orientation in these organizations tend to be more customer friendly (Chien & Hung 2008).

**Textbox 1.**

Such fast-track efficient retail business models are not just restricted to convenience stores only, but bigger retail giants have adopted smart strategies to expand their footholds as well. To be examined closely, suppose (or let us presume) that if any degree of perfectionism is ever evident in the functioning of convenience stores (i.e., 7/11 or Circle K), how do we classify such perfectionism? Process-oriented or practice oriented, or both? Or is this an example of *adaptive perfectionism*? Apparently, it appears that these C-store-like organizations are moving beyond building just a 'brand image'; nevertheless, it is important to consider the fact about how far they would accept social responsibilities from an ethical point of view. In such parlance, it is of interest to understand how organizations should be viewed beyond their ontological perspective.

On the epistemological frontier, organizations rely heavily on innovation to drive their business goals and revenue. Managers are astute in identifying ways of exploiting opportunities which is facilitated by knowledge about the markets and consumers; i.e., a deeper knowledge that incorporates certain values beyond the given common factors like identifying niche market, understanding consumer demand, consumer behavior or preferences. Such values include moral and social responsibilities on the operational frontiers which include effective training of the workforce, skill development, and creating ambient work and learning environment, to quote a few. To stay competitive and penetrate the markets with deep feet, organizations have come to acknowledge the importance of employee education and training. Besides, organization managements recognize that simply innovation and manpower is not enough to stay abreast in competitions. To expand, they need a broader stronghold which must be backed up by understanding the dynamic environments within which they perform. Such dynamic environments provides broader stronghold to achieve perfection in service delivery, wherein their ontological standing is supplemented with epistemological foundations. The epistemological foundations rely heavily on systematic approaches of knowledge acquisition, information management, and cognitive development of the workforces. To attain equilibrium in performance and practices, organizations enforces certain necessary protocols, guidelines and

routines that are to be followed by the incumbent workforce. I connote this equilibrium as “optimal perfection” in operations and practice. Organizations are excellent in streamlining their workforce to achieve efficiency and perfection in their daily job routines. Since this concept-“perfection in operation” is based on routines, such routines serve the purpose of organizational function. Routines are goal-oriented, which means that they are imbedded in teleological principles. The design of organizational routines depends on the nature of business and on the organization’s overall goals (product or service deliveries). Routines add to the organizations dynamic capability, and thus serve the function of adaptability to sequential activities of organizations. Routines have epistemological foundations, and organizations exploit routines as a source of flexibility, change, and innovation (Elizabeth 2004, Blackori, 2014, Cohen et al, 1996). Routine, according to Nelson and Winter (1982), is a fundamental concept which can be redefined as “the unit of analysis of an evolutionary theory of economic change” (Becker, 2001). Routines are important tools and are directly connected with organizations activities (Blackori, 2014). In order to achieve exceptional performances on their business frontiers, managements devise formal routines while stressing on compliance of goals, for which optimal efficiency in operations is a prerequisite (standards of practice). They aim for certain levels of perfection in implementing ideas and turning them into useful products for the end users. Managements’ aim for “perfection” in every field of business operations; i.e., production, sales, marketing, or service deliveries require rigorous and thoughtful execution of goal-oriented routines. Such aims are based on effective and thoughtfully designed routines that aid workforce to couple with organizations goals and objectives (organizations realities). This relates to ontological perspective of organizations culture and organizational dynamics. Again, such ontological perspectives require strong epistemological foundations since perfection does not come easy. It depends on many endogenous and exogenous factors. The practice of management thrives on the practice of performing operations not just efficiently, but with precision. Organizational routines play a major role in achieving a great deal of operational efficiency. Routines reduce chaos in operations. Organizations hence thrive on operational excellence, and this excellence in service delivery or product quality are not attained overnight, but due to constant practice, planning, and application of learned behavior to achieve perfection in business operations. Routines may be viewed as objective aspects of learned behavior. Indeed organizations follow certain routines which are highly goal oriented; i.e., signifying that these routines have certain purpose to serve and could be explained by reasoning why they follow such routines and how they

amend, modify or adapt those routines. In other words, they search for “teleological perfectionism”, and this is what this paper is about. Organizational learning and adaptation are complex processes. Organizations learn to innovate to perform “better” in their delivery of business activities. Performance of most organizations depends on the quality of their trained workforces, their skills, and their problem solving abilities. Training and skill development is imparted by learning, whereas problem solving capabilities are developed from practical exposure to real life scenarios. These have tremendous impact on organizational practice and organizations performances. Hence, learning in organization is indispensable which impact its overall performance, and is a sum of multifactorial influences that guides teleological processes within organizations that in turn is affected by organizational learning and cognitive development of the workforce. Since learning in organizations is goal-oriented, it supplements the workforce’s overall cognitive enhancement through skill development that is profoundly reliant on methods, processes, and practices adopted by the organizational management to train and retain its workforce. This is to ensure better delivery of goods and services, reduce employee turnover, promote innovation in retailing, and compete effectively in highly congregative, competitive markets.

## **5. Teleological Perfectionism in the Context of Organizational Culture:**

The concept of perfectionism is difficult to interpret as well as to attain in practice, that is fraught with controversies and severe criticisms from the scholarly community (see Greenspon, 2002; 2014), which may be well justified. However, some degree of *adaptive perfectionism* may be of significant value to the modern fast-paced service-driven retail industries where consumers embrace excellence in service delivery with a high degree of precision. The concept of *teleological perfectionism* is constructed from the epistemological notion of objective teleology (Hofstadter, 1941)-wherein an agent has some purpose (goal) and uses means to derive outcomes, while the psychological concept of adaptive perfectionism motivates organizations to attain their goals. In fact, this very concept of “perfectionism”, or perfectionist philosophy (See Thomas Hurka, 1993, Dorse, 2010) is an old concept of moral philosophy and many scholars, both ancient (Aristotle and Plato) and modern (Leibniz, Kant, Hegel, Mill, and Nietzsche) were either perfectionists, or defended this concept. However, without going into the historical details and pitfalls or criticisms of the theory of perfectionism, we refer to Hofstadter’s concept of teleology to see how it can be useful to construct a dual theory of organizations performance that integrates *teleology* with

*perfectionism*. Hofstadter clearly made the distinction between *subjective teleology* and *objective teleology*<sup>2</sup>. Objective teleology, according to Hofstadter-

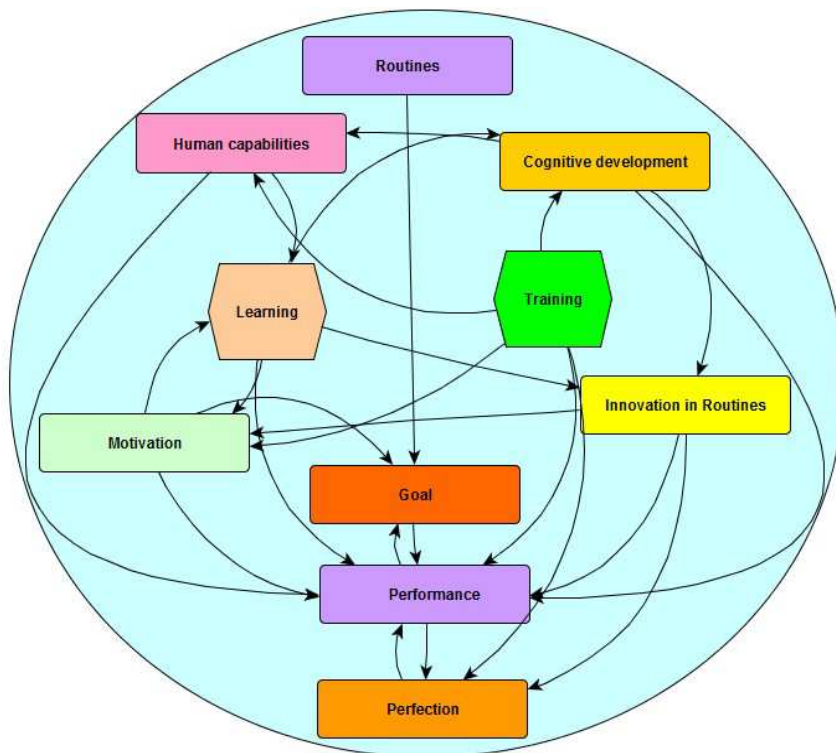
“...refers to a sequence of states of affairs intelligible in terms of end striven toward, sensitivity to conditions, and operative techniques. Subjective teleology refers to experienced content as organized in a particular way, through the mode of purpose”.

Referring to the above quote, it may be assumed from the practical point of view that purpose-oriented experiences which are logical and understandable in terms of operative techniques that have some definite end outcomes could practically be useful to define sequence-based goal oriented actions which could be operationalised. A perfectionist approach could then be adopted to refine such actions to derive superior outcomes. This approach- teleological perfectionism-is highly applicable to machine automation and process automation which rely on precision. All modern hi-tech machineries thrive on automation and perfectionism, but human beings are not machines, and so this concept thereof is not even vaguely applicable on an individual basis. However, collective efforts and teamwork often is the foundation of adaptive perfectionism. It has been argued in the literature of management science as well as in psychology that goals motivate and help improve performance. It is of no doubt that organizations thrive to compete on refinement of processes, practices, and services. Today, most multinational enterprises simply do not exist to satisfy consumer demand or for building a brand image (brand equity), but beyond that, they thrive on innovation drive to gain *consumer equity* (Roland et al 2004) which is nevertheless, an exceedingly challenging goal in today's highly competitive business world. For this, they require competent workforces. To orient their workforces towards excellence in performance or service deliveries, sustainable Workforce education, learning, and cognitive development in most organizations tends to be goal oriented, i.e., they are meant to benefit both the workforce and the organizations in order to achieve the goals, and furthermore, to streamline their performances. In such parlance, it may be assumed that organizations are guided by some form of *(teleological) perfectionism*, which means that by adoption of continual and gradual process of learning, training, and engagement, organizations attempt to maximize their overall performances (utilities). There is a fuzzy concept called *performance maximization*, first coined by Utterback (1974) which could be loosely applied to this particular context, but this phrase is more often used in the financial sectors (fund management). Nevertheless, this (*performance maximization*) is

generally attained as a result of persistent enforcement of routines, methods, and practices that are archetypal of all modern knowledge-driven organizations.

Fig. 1 Depicts a representation of the complex interrelationships, interdependencies, and correlations between several determinants of organizational performance in service culture. To begin with, it may perhaps be said, that work environments affect employee performance. In fact several factors modulate employee performance in organizations. Among others, routines, goal-orientation, training, learning, motivation, and adaptation are some of the most important determinants of organizational performance. There are other determinants, and those, too, of perhaps similar importance, which affect workforce performance. There is, however, one important aspect of employee performance that explicitly affects the quality of services being offered by them; i.e., aptness which merits discussion. In service driven organizations (i.e., C-stores) wherein employees constantly interact with end users (customers), engagement with aptness determines the overall service quality that distinguishes organizations apart. Perfectionism is a desired aspect in most professional activities related to organizational culture, and this facet can be perceived as both positive and negative construct. Ryan Ross (2012) holds the view that perfectionism can lead to both positive and negative outcomes (Foster and Nichols 2009) since perfectionists are overly concerned with mistakes. According, perfectionism may be desired under certain conditions, whereas, it may be downright detrimental under other conditions. We suggest therefore that managers who are too demanding as perfectionists could do away without adopting this 'perfectionist' approach to achieve superior performance by concentrating on strategy dynamics that can lead to superior outcomes. Fig. 1 refers to such a scenario that incorporates several important determinants of workforce performance and defines the interrelationships amongst them. Simply adopting a perfectionist approach would not maximize performance, but rather, may lead to negative outcomes. As Ross (2012) points out, putting too much stress on minute details may limit one's productivity, and affect others. A meticulous understanding of the dynamics of performance management and the aforementioned factors that affect it can help achieve perfectionism without actually enforcing it in the first place! The result is- achieving some degree of perfectionism *without* a perfectionist approach. Fig.1 depicts a simple flowchart; Routines →Goals →Performance →Perfection. The basic operational protocol for almost all service-driven organizations involves the following sequence: Routines →Goals →Performance, whereas perfectionism is an ancillary

attribute. Various factors affect or modulate different stages of this sequence in different contexts. For instance, learning (employee empowerment) leads to cognitive development which positively influences workforce performance, while at the same time it is relevant to acknowledge that employees need motivation for learning; i.e., they should be motivated to learn. Learning about why routines are important and how change in routines could bring about positive changes in outcome can lead to innovation in routines. Not only, therefore, would the effects of all these determinants be integral, but they may be differentiated at each step to analyze how one affects the other, and therefore, influence performance. The final attribute of this sequence is perfection; Routines→Goals →Performance →Perfection. Perfectionism, however, is not just about maximizing performance, but it is also about fine-tuning and enhancement in performance. Often, motivation to perform *better* leads to perfection. Innovation in routines and processes can also lead to improved performances, and therefore, may lead to perfection.



**Fig. 1** Simple representation of the interrelationships between different variables of performance

Organizations not only hire workforces for routine occupations, but they are also excellent innovators. Operational aspects of innovation and product development rely profoundly on the technical know-how (knowledge aspect) of the workforce, their skill sets, workforce

capabilities, as well as on control and restraint. Effective operations of almost every organization are based on systematic implementation of routines that underlie goal-oriented behaviour which also demonstrates the role of formal routines in organizational innovation (Blakcori, 2014). Organizations are not only the centres of innovation, but they can innovate themselves by designing, changing, and evaluating routines. Routines are standard procedures and practices that allow systematic operation of organizations activities. Almost all organizations have some kind of routines through which goals are implemented. Organizational routines have been reviewed by Felin & Foss (2004) within the purview of evolutionary economics, and factually, they exposit the need for microfoundations to study its utility at the individual-level.

Most organizations have goal setting behaviour. Goal setting can motivate employees to perform better if relevant routines and actions are implemented to achieve such goals. The role of conscious goal setting in motivation has been extensively reviewed by Locke (1996). To implement goals which are required to be replicated by manufacturing and service-driven organizations, design of efficient routines is a prerequisite. Since routines are connected to organizations' activities, they are also a source of flexibility and change. The concept of perfectionism arises at this point when activities could be fine-tuned to the best possible standards. The degree of perfectionism to be attained depends on the cognitive capacity and human capabilities. Development in human capabilities requires training, learning, and practice. Actions are path-oriented, and finding the best possible yet economical sequence of actions that leads to superior outcomes would ensure that some degree of perfectionism could be attained with refinement in processes. Developing excellence in human capabilities is lauded in many fields of human activities which include sports, art, music (Bradford, 2014), and in modern industries.

### **5.1 The Model:**

We define a simplified form of implicit inverse function equation to study the interrelationship between several structural (IV) parameters of organizations performance that includes few exogenous independent variables (IV) as external factors of a manufacturing firm; i.e., goal, deadlines, target, and some endogenous independent variables (organizational factors), for instance: learning, motivation and technology factor. The endogenous organizational factor 'learning effect' is defined following Hansen and Wernerfelt (1989). We try to explain contexts by creating a scenario wherein all these factors come into action with limiting constraint on the technology factor, since the core

technology (hardware) that firms utilize more or less remains unaltered for a specific period of time. For the variable part of technology (software) that firms update periodically, we incorporate this factor into the learning effect.

We define the IV variables as follows: goal ‘g’, deadline as ‘d’, targets ‘k’, learning ‘l’, motivation ‘m’, and technology factor ‘t’. The dependent variable herein is the measure of performance ‘ρ’. The equation derives an optimal equilibrium state that explains the individual effects of changes in one or several of these given factors to analyze how they affects overall performance. Since there are numerous factors that could affect firm performance (Hansen & Wernerfelt 1989), and competitiveness (Liargovas & Skandalis 2010), we restrict ourselves in this model with a few of them that explicitly affect performance. We observe that under optimal conditions (see below), all other things remaining invariable any downward adjustment in agent learning *negatively* affects performance (under optimal equilibrium as given by parameter values). Let us define two scenarios: the implicit inverse function equation is given as follows-

$$\rho = 1 - \frac{1}{g^{d+k} + (l+m)^{\frac{r}{k}}} \quad \text{eq. 1}$$

Solving eq. 1, we derive,

$$\rho = -\frac{1}{g^{d+k} + (l+m)^{\frac{r}{k}}} + 1$$

Routines are explicitly connected to overall activities of an organization (Blakcori, 2014) as they also confer internal stability to organizational activities. Routines are also a source of innovation since it stabilizes the entire working process, and innovative routines aimed to enhance processes and productivity greatly improves overall workforce performances. However, for routines to be effective, goals should be clearly specified. We differentiate on “r”, routine, since routine is a sequence of action leading to achievement of goals. Routines stabilize organizational activities. Routines may also be a source of innovation. Innovation and positive modification in routines can help attain goals in a more efficient manner (in terms of cost and time effect). Any innovation in routine is knowledge dependent; i.e., employees must have the knowledge about ‘how’ and ‘why’ a routine exists and how it could or should be changed to achieve better outcome/performance, and therefore, improve operations. In fact change innovation in routines could be considered as one of the factors or determinants of innovation



itself (Webster, 2004). This change in routine as a matter of fact is a procedural change.

The continuous differentiable function of ‘R’ derivative of this equation,

$$d x \left( 1 - \frac{1}{g^{d+k} + (l+m)\frac{r}{i}} \right) \text{ eq. 2}$$

$$\frac{\log(l+m) (l+m)\frac{r}{i}}{t \left( g^{d+k} + (l+m)\frac{r}{i} \right)^2} \text{ eq. 3}$$

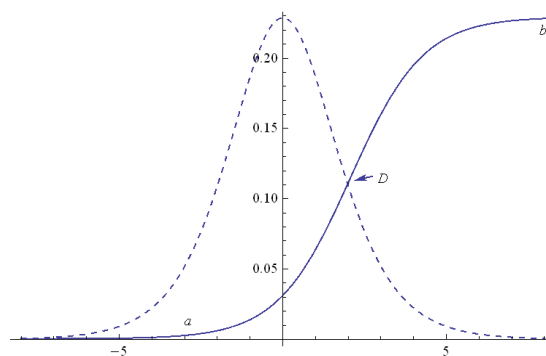


Fig.2 Optimal equilibrium in performance delivery

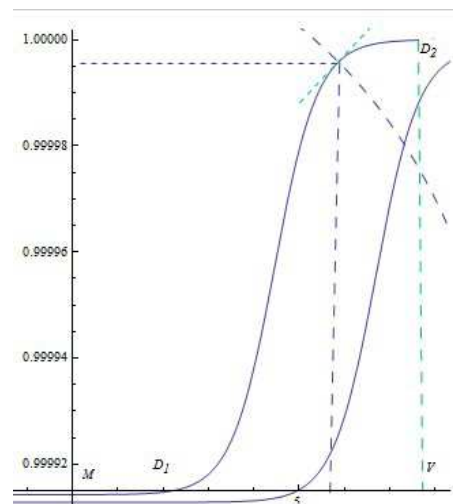


Fig. 3 AUC performance curve

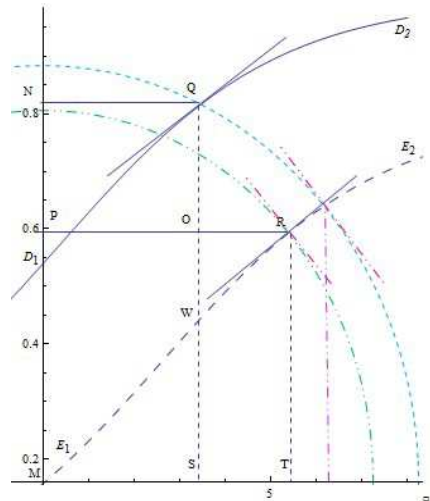


Fig. 4 AUC performance indicator

### 5.2 Scenario:

In a given state when goals and deadlines are less defined but the target remains high, learning and motivation complements the above two factors to some extent. Now, let us consider a scenario when goals, deadlines and targets are well defined, while technology remaining constant, learning can affect performance immensely. In such a context, the role of motivation is an important factor since these two are among some of the most important driving factors that steer employee performance. In learning organizations in the business of innovation and product development in the new economy (Horvat & Trojak, 2013), optimal equilibrium could be attained following Fig. 2 above: i.e., optimal performance under given conditions which satisfy several parameter values. There is a marked difference between Fig. 2 and Fig.3 which explains the fact that the overall performance zone under MD1D2V is somewhat larger than that of what is observed in Fig. 3. The optimal performance equilibrium is derived from plotting equation no. 1.

### 5.3 Optimal equilibrium in performance delivery:

The model depicts a scenario of optimal equilibrium in performance delivery which depends on several parameters. In Fig. 2, the point 'D' is the inflection point on the curve whose function is continuous. It gives a scenario of optimal performance at point 'D'. The figure combines the Gaussian distribution with cumulative distribution function (cumulative Gaussian distribution) and the point 'D' denotes the outer-bound 'range' which is a critical point below which quality of service becomes 'suboptimal.' The performance curve hence defined is probabilistic and variable that depends on several exogenous and endogenous factors. Furthermore, if performance is required to be improved, it would require improvement in workforce learning and goal-orientation, and innovation in routines. Performance output and service quality also depends upon

task difficulty, workforce competence, and the micro-environment (ambience) of C-store fronts as well as on the efficiency of middle management in managing C-stores.

## **6. Results**

The model could be used to construct several related scenarios to obtain best-performance values for parameters or factors that affect goal-oriented performance. Under given conditions, it helps to correlate the relative importance of motivation and learning in defining optimal performance. It shows how employee performance is intrinsically related to changes in learning, alterations in routines, deadlines, motivation and goals. It shows that employee behaviour and performance are importunately influenced by goals. Since goal setting is important, it is relevant to acknowledge the fact that such goals should be understood by the employees and implemented by the management. Organizations without goals perform poorly. Organizations without a well-trained, educated workforce lag behind in innovations and hence in competitions. Eventually, organizations without motivated employees perform poorly as well. Goal setting improves organizations performance and is one of the most important motivator for the workforce (Locke & Latham, 2006). However, it is important to oversee effective implementation of routines to realize organizations goals. Furthermore, it is as well essential to monitor proper learning of routines by the employees so that they can effectively follow these routines to achieve organizations goals. These responsibilities call for implementation of goal-oriented learning and training of employees in addition to the need for framework to enhance employee learning capabilities which forms an integral part of organizational learning. Both these aspects emphasize the important role of learning and cognitive development in the workplace. Learning is thus an important activity for organizations that aim for performance (GUȚĂ, 2014). Managers should ensure that to achieve targets, besides following routines, organizations should facilitate learning in a decentralized manner (Blume et al, 2009) so that employees learn how to search effectively for better processes and practices which tend to positively affect their overall performances.

## **7. Conclusion**

Even a least experienced and incompetent team of workforce could be transformed into a highly competent team of expert through effective education, instruction, training and learning. Motivation also plays a significant part in this respect. The role of clear and concise instructions as routines and communications are essential to achieve superior performance. It is not possible for each and every individual to “be

perfect”, and so for each and every organization this applies as well (owing to resource constraints). But every employee in a firm has the right to achieve distinction and get the opportunity to improve their own performances based on individual and collective efforts. Organizations which thrive on superior performances do provide several incentives and opportunities for their employees to learn and excel in performance. Some organizations are models of excellence. But it is also important to realize that those who does not receive such opportunities to excel, and thus becomes marginal and ultimately perform poorly may not be at fault in their own in entirety. The inability of organizations to streamline and train effectively their workforces, or failure to elucidate organizations’ goals may be the root cause of such poor performances. A simple conclusion that can be drawn from this study is to ascertain the causal factors behind performance metrics, and to define clearly the fundamental units that could help attain some degree of perfection in goal-oriented activities. The interrelationships between several factors of performance have been highlighted and modelled in this research to elucidate and reinforce the importance of learning and motivation, and how these two factors can lead to superior performance. Effective routines should be designed to define clearly the actions that lead to attainment of goals, and refinement in such routines and processes could lead to some degree of perfectionism in organizations’ activities related to product and service deliveries. Further research is required to validate such claims which establish the role of formal routines (and innovation in routines) in defining employee performance. Likewise, it may be interesting to study the relative importance of improvement in adaptive performances of service driven industries towards achievement of excellence. The reasons behind recent spurt in growth in convenience store culture across Asia-Pacific thus could be attributed to superior service culture, need for convenience, and growth in consumer culture. And finally, this research opens up a new frontier of debate to further the debate about whether if this idea of *teleological perfectionism* could be vaguely applied to organizational learning and performance.

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Appendix:

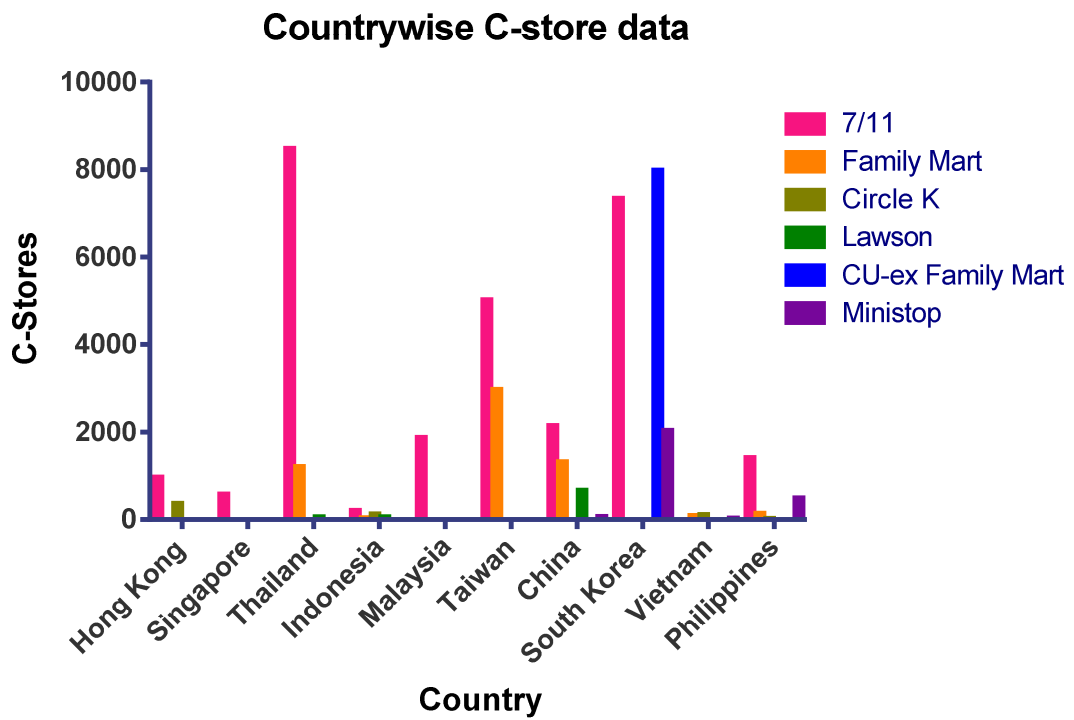


Fig. 5 Country-wise distribution of C-Stores in the Asia-Pacific region (excluding Japan and the USA)\*



Country	7/11	Family Mart	Circle K	Lawson	CU-ex Family Mart	Ministop
Hong Kong	950		356			
Singapore	560					
Thailand	8469	1193		46		
Indonesia	190	21	110	38		6
Malaysia	1855					
Taiwan	5000	2952				
China	2128	1306		652		55
South Korea	7327				7964	2021
Vietnam		71	100			17
Philippines	1400	130	10			472

Table 1. Distribution of C-Stores in the Asia-Pacific region (excluding Japan and the USA)\*.

\*Sources:

<http://lawson.jp/en/about/business/>

<https://insideretail.asia/2014/04/02/familymart-in-rapid-expansion/>

<http://www.family.co.jp/english/oversea/thailand.html>

<http://www.bizjournals.com/dallas/news/2015/08/04/with-vietnam-expansion-asia-continues-to-be-key.html>

<http://www.wsj.com/articles/philippines-is-ripe-for-convenience-store-growth-1411506002>

<http://www.ministop.vn/en/ms/all>

<http://corp.7-eleven.com/corp/fun-facts>