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## Initiating organisational transformation through Appreciative Intelligence®

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**Abstract:** This paper demonstrates that organisational transformation can happen when key stakeholders engage in Appreciative Intelligence®-based conversations that are focused on what is possible instead of what has gone wrong. The author had an opportunity to engage with an international non-profit organisation that was initially thought to be in state of decline. Appreciative inquiry, an organisation development intervention that builds on a strengths-based approach helped the organisation renew its core values and engage in transformative conversations. The paper identifies several such conversations for change that emerge out of reframing and explicates their relevance to similar organisations.

**Keywords:** reframing; organisational transformation; conversations for change; Appreciative Intelligence®.

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## **1 Introduction**

Recent research on positive psychology (Seligman, 2011), positive design (Thatchenkery et al., 2010), and Appreciative Intelligence<sup>®</sup> (Thatchenkery and Metzker, 2006; Case and Thatchenkery, 2010; Thatchenkery, 2009) has shown that the nature of organisational discourses play a critical role in creating change in either direction. A negative discourse might lead to the realisation of various deficiencies in the organisation but may not help in fixing them. A positive discourse might be generative and future-oriented, giving key members a variety of action menu to choose from. In this paper, the author describes how positive discourses are created through conversations of initiative, understanding, performance, and closure (Ford and Ford, 2009). Appreciative inquiry (Cooperrider and Srivastva, 1987; Jordan and Thatchenkery, 2011) was the OD intervention tool that was used to facilitate the organisational change.

## **2 Appreciative intelligence**<sup>®</sup>

Various of schools of thought such as social constructionism (Gergen, 2011, 2009; Gergen and Thatchenkery, 2006), postmodernism (Lyotard, 1984; Baudrillard, 1988; Boje et al., 1996; Thatchenkery, 2007), narrative analysis (Czarniawska, 1997), and discourse analysis (Oswick et al., 2011) have shown the reality creating power of language use. Appreciative inquiry builds on these foundations and strives to create a positive discourse in organisations. According to Cooperrider and Srivastva (1987), appreciative inquiry is based on a socio-rationalist paradigm that treats organisational reality as a social construction and a product of human imagination. It "... refers to both a search for knowledge and a theory of intentional collective action which are designed to help evolve the normative vision and will of a group, organization, or society as a whole" [Cooperrider and Srivastva, (1987), p.159]. In short, appreciative inquiry is an attempt to generate a collective image of a future by exploring the best of what is and has been. It begins with a grounded observation of the best of what is, articulate what might be, ensure the consent of those in the system to what should be, and collectively experiment with what can be (Cooperrider and Srivastva, 1987).

Participants of the Institute of Cultural Affairs (ICA), the organisation that worked with the author, leveraged their Appreciative Intelligence (Thatchenkery and Metzker, 2006) for reframing their organisational reality and seeing new possibilities instead of decline. Appreciative Intelligence is the ability to perceive the positive potential in a given situation and to act purposively to transform the potential to outcomes. In other words, it is the ability to reframe a given situation to recognise the positive possibilities embedded in it but is not apparent to the untrained eye, and to engage in the necessary actions so that the desired outcomes may unfold from the generative aspects of the current situation (Thatchenkery and Metzker, 2006). By understanding and internalising the various components and qualities of Appreciative Intelligence, members of ICA were able to positively contribute to the creation of a renewed new organisational form.

### 3 The case study

The ICA is an international non-profit organisation whose goal is community empowerment around the world. It has been in existence for the last 60 years and at its peak operated in 35 nations. A significant part of ICAs work is about stimulating citizen participation in development activities. A small organisation called *Christian Faith and Life Community* (CFC) that began in 1952 was the root of the ICA. The sixties was a time of expansion for the organisation, initially in North America and later around the world. In 1963, the Institute moved to a 16-block area in Chicago's West Side (later named the '5th City') and began working with local residents to discern the community's problems and design practical, locally-based solutions. By early 1971, the institute had grown to over 1,000 members in 16 countries. By the mid-70s, the ICA had expanded from its Chicago base to 100 offices in 35 countries. However, a process of decentralisation began gradually whereby each location was becoming more autonomous and partly self-sufficient. The ICA was undergoing a transition whose nature was understood differently by staff in various locations. Some felt they were becoming a network rather than an organisation. Others thought that as a result of the decentralisation, the bond that held the global organisation as a single entity was weakening leading to organisational decline. Further, the newly independent ICAs in most locations were losing members. The overall sense of all these changes was a feeling of disintegration and fluidity.

The ICA experienced considerable synergy with the appreciative inquiry approach. After all, this was an organisation that studied paradigm shifts and the 'structure of scientific revolution' (Kuhn, 1962) long before they were popular. The author conducted appreciative inquiry interviews in ICA offices in Chicago, Cincinnati, Columbus, Kansas City, Minneapolis, Indianapolis, Detroit, Milwaukee, Cleveland and the Institute of Cultural Affairs International (ICAI) in Brussels. Key aspects of the AI process involved:

- 1 interviews to create core values
- 2 additional comprehensive interviews for organisational analysis
- 3 creation of future-present scenarios
- 4 feedback and consensual validation
- 5 action planning.

The author and the team designed and facilitated an organisational analysis of the interview data during a three-day period in Chicago. Each member of the team read through interview transcripts and highlighted what they found significant. This was followed by an extensive organisational analysis of the interview data and the writing the possibility propositions or future-present scenarios (Thatchenkery, 2005). The propositions were written in several stages and refinements. Seventy eight possibility propositions were finalised and later prioritised.

Once the prioritising was finished, participants could clearly see the direction the ICA was headed to. The participants discussed action-planning strategies with respect to realising the propositions and decided to take the learning to ICAs future global gathering. A few months later, this author went to Brussels to interview participants attending the General Assembly of ICAI.

It appeared that the AI process reversed the organisational decline that many ICA members were feeling and put the organisation back into a path of renewal and rejuvenation. The new image was one of rebirth and growth. The AI process allowed them to get in touch with their roots, the reason for being, and gave a big boost to their commitment to rededicate themselves to the cause of the ICA.

#### **4 Leveraging Appreciative Intelligence® for shifting language use**

As mentioned earlier, Appreciative Intelligence® is the ability to reframe a given situation to recognise the positive possibilities embedded in it that were not initially apparent, and to act purposefully so that the desired outcomes may unfold from the generative aspects of the current situation (Thatchenkery and Metzker, 2006). The aspect of reframing in this case study refers to the way ICA members looked at the change process. They reframed decline as an opportunity for renewal and engaged in the necessary actions (AI intervention) to come up with the future-present scenarios. The reframing happened primarily through shifting conversations as conceptualised by Ford (1999) and Ford and Ford (2008). To make the case for the power of shifting conversations, Ford and Ford (2008) distinguished between first and second order realities, which were originally conceived by Watzlawick (1976). First-order realities point to the physically demonstrable qualities of an object, event, or situation. Second-order realities are constructed when we attach meaning, significance, and value to the data of first-order realities. According to Watzlawick (1976), second-order realities are not inherent in the situation itself, but are attributed to it by us. Alterations in second-order realities can lead to changes in action regardless of what happens to first-order realities (Ford, 1999). The appreciative inquiry process effectively reframed the unwanted and undesirable consequences of a second-order reality with another one that was more affirmative, leading to highly desired outcomes. In the process, ICA members used their Appreciative Intelligence effectively to reframe the conversations.

Organisational transformation by shifting conversation is achieved by giving up the use of certain words or phrases and by intentionally introducing and repeating new words and phrases (Ford, 1999). In this case, the appreciative inquiry introduced several key concepts and phrases centred on the core values of the organisation. When the interview transcripts were analysed, four types of conversations were detected. They were *initiative*, *understanding*, *performance*, and *closure conversations* (Ford and Ford, 2009). In the case of ICA, the *initiative conversation* was occurring before the author got there. The *understanding conversations* happened all through the interview and data analysis. *Performance conversations* came out of the prioritising of the possibility propositions. The *closure conversations* primarily happened after the feedback that was provided at the international gathering and later at local locations.

##### *4.1 Reframing for initiative conversations*

Initiative conversations are intended to move the organisation toward a vision or possibility, similar to the way Kouzes and Posner (1999) have conceptualised it though they have not used the term initiative conversations. Such conversation may arise in

different places or situations: in informal meetings in which people are discussing existing conditions or out of the visions that individuals have for what could be (Kouzes and Posner, 1999).

The initiative conversation in the ICA began in 1986. After a few international events that drained their budget, the organisation became aware of and started reacting to the anticipated environmental shifts and organisational performance downturns. Being a highly reflective community, they were intensely aware of the changes that were happening to them and recognised that the focus on development had clearly turned towards the 'local'. The ICA reframed it as a paradox and a stimulus for initiative conversations. They reframed it as the tension between Western perspectives versus indigenisation, or simply the paradox between *grand narratives* and *local narratives* (Lyotard, 1984).

Grand narratives or theories are models that are generalisable to all situations. In the case of the ICA, the models that were developed using their success stories in the *Fifth City*, *Town Meetings*, and *Human Development Projects* were thought to have direct transferability to other parts of the world. As a result, ICA members from North America travelled to other continents to set up 'human development' and related projects. Though well intended, such efforts often attempted to replicate what worked well in one setting to new contexts.

Initiative conversations also came out of the awareness of the paradox between global networking and local networking. As a global social change organisation, the ICA had emphasised global networking. The focus was on creating structures that would connect the ICAs worldwide into a single corporate entity. However, as a result of the sudden and significant growth during the 70s, many ICA branches had dispersed to distant locations from the USA and began networking locally. This local focus was very much encouraged by the ICA as they recognised this as a paradox.

Valuing the interdependence that was required to keep in balance the global-local tension, one of the internal documents of the organisation (the *Panchayat*) created in 1988 stated: "There is an increasing awareness of the interdependence and a deep desire to create patterns of relationship that express this consciousness.... Networking is the medium by which transformation is permeating every level of society". The readiness and anticipation for change that the ICA members had experienced before the appreciative inquiry project showed that the initiative conversations were gradually building momentum. One member summarised this anticipation in an ICA document: "We have changed as a body of people and there is no going back. We carry gifts from the past with us but the new that is being created may bear no easy resemblance to the past we have known. It is in the midst of these irreversible changes that we find ourselves asking questions such as how do we move forward and how do we empower the foundations of our future?" Ford and Ford (1995) observed that there was no singular beginning point for initiative conversations, and that bracketing events into a meaningful form was a function of who was doing the bracketing. In this case, the bracketing was done by the capturing of the reflections of ICA members in the *Punchayat* document. To create the *Punchayat* document, ICA leadership travelled to locations across the world, listened to the voices of members, and compiled the reflections in a narrative form. The consensus process acknowledged that something needed to change though it was not initially clear what that might be. The clarity would emerge through the next type of conversations identified by Ford and Ford (2009) as conversations for understanding.

#### *4.2 Reframing for conversations for understanding*

Ford and Ford (1995) point out that those affected by organisational change tend to make sense of the situation by engaging in dialogue and double loop learning (Argyris and Schon, 1978). Doing so entails examining assumptions that underlie thinking and to reflect on the implications of that thinking, develop a common language, and to create a shared context in which people learn how to talk to each other. Conversations for understanding typically produce three outcomes for the change process (Ford and Ford, 1995). They are specification of the conditions of satisfaction for the change, some degree of involvement, participation, and support on the part of those engaged in change, and decision maker's interpretations. Specifying the conditions for satisfaction became more apparent as the AI process began. True to their belief in Eastern philosophy, the overall sense was that the ICA members would trust the process and embrace the outcomes. By having everyone involved in the process, the conventional 'resistance to change' issues did not surface. Since one of the core values of the organisation was decision making by consensus, it was only natural for them to have everyone's input in making decisions.

The appreciative inquiry process entailed a dialogue about the rationale, context, and meaning for the change and provided people an opportunity to voice their concerns and suggestions. The most visible result of this dialogue was an enhanced understanding of their core values. The affirmative language used in the inquiry process helped the ICA see what they were doing right. The reframing (one of the components of Appreciative Intelligence®) allowed ICA members to make the intentional choice of looking at the glass as half full instead of half empty and facilitated the conversation for understanding. In other words, by leveraging their Appreciative Intelligence, the ICA team was no longer facilitating a neutral process but was actively reframing and seeing the positive for the future of the organisation.

#### *4.3 Reframing for conversations for performance*

Conversations for performance include what Winograd and Flores (1987) called conversations for action, which are networks of speech acts with an interplay of directives (requests) and commissives (promises) spoken to produce a specific result (Ford and Ford, 1995). The appreciative inquiry process had a built-in step to create a conversation for performance which was provocative or possibility propositions. Based on the learning from the organisational analysis, participants wrote several possibility propositions. Each of the propositions was an affirmation of what ICA members were capable of creating to heighten their core values. They were written for each core value and in the present tense, as if the visions had already come true. This was meant to facilitate the thinking and imagining process of participants and also help test whether they would like to live those dreams and future visions. For example, to heighten their continuous learning focus, they decided "to do workshops and retreats that open up the major cultures of the world as treasure houses of human wisdom". They decided to start training schools and to introduce an 'Earthwise' curriculum on global management. As a learning community they wanted to establish 'edge' education research programmes in every state where they had primary units to demonstrate their methods and form partnership with local education units. They visualised that each ICA location worldwide would operate autonomously and yet engaged with each other as a cohesive entity.

Regarding the core value of decision-making, they decided that commitment was more important than length of experience. “The organization of ICA is a dynamic system more than a structure. The system is fluid and flexible where each person, novice or experienced, impacts the entire system” (as stated in the provocative propositions statements). For the core value spirituality, they visualised organisational structures where “life sustaining and community bonding spirit generation practices are built into all gatherings of the ICA. They decided that personal spirit life is encouraged, nurtured, and challenged in a rich corporate dialogue that pushes the wonder, glory, and depth of what it means to be human” (as stated in the provocative propositions statements).

Prioritising the possibility propositions was an effective way of creating conversations for performance. Since the process involved the key stakeholders it was most likely to lead to implementable actions. This was particularly important to appreciate given the knowing-doing gap that exists in many organisations coming out of the ‘smart-talk trap’ (Pfeffer and Sutton, 1999). “Knowing-doing gap is a kind of inertia that plagues companies of every size and type” argue Pfeffer and Sutton. “... We observed it at global conglomerates and at 20-employee start-ups, at capital-intensive manufacturers, and at knowledge-driven service firms. It is not the inertia of indifference or ignorance but of knowing too much and doing too little” (p.135).

#### *4.4 Reframing for conversations for closure*

Conversations for closure were characterised by assertions, expressives, and declarations to bring about an end to the change process (Ford and Ford, 2009). Closure was essential to change. It implied a sense of harmonious completion wherein tension with past events was reduced and equilibrium restored. Closure for the ICA involved both a letting go what no longer worked and a continuation of what did. This realisation that there were now new possibilities and new futures that did not exist prior to the AI project also helped in the closure conversations. In the appreciative inquiry project for the ICA, creating an implementation team and deciding to meet annually to assess progress also constituted the closure conversation.

## **5 Implications and conclusions**

The reframing of the apparently visible organisational decline into renewal did not come about easily. The core values that were generated turned out to be the ones for which the ICA members had strong passion. They were not something that was imposed on them. They were authentic and genuine leading to a full expression of participants’ Appreciative Intelligence. Only then an initiative conversation would lead to one for understanding, performance, and eventually, closure. ICA members internalised the appreciative inquiry values by proactively deploying their Appreciative Intelligence®. They could constantly reframe and see the positive (two components of Appreciative Intelligence) because as an organisation, the ICA has been doing significant work based on a basic empowering philosophy for a long time. Such a familiarity with the appreciative focus elicited a strong involvement of ICA from the beginning. They perceived themselves as being part of the inquiry process and as equal partners. By staying with the community the author received insights into their mode of living and helped place the inquiry in the positive perspective. Participation came to them naturally

since consensus building was a core value for ICA. Ideas were encouraged to be daring and challenging yet they were accepted for its worth after careful scrutiny. The appreciative inquiry process with its emphasis on future-present scenarios created a climate of curiosity, creativity, and pragmatism. The Appreciative inquiry methodology worked primarily due to the natural ability of the ICA participants to deploy the three components of Appreciative Intelligence<sup>®</sup>, namely reframing, seeing the positive, and acting on the new possibilities.

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