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7 Organisations

Overview

- The usual approach to improving organisations is to fix problems.
- A different sort of approach, appreciative inquiry, is a participatory process for investigating an organisation’s strengths and building on them.
- The key elements of appreciative inquiry readily map onto the five methods for promoting good things.¹

In industrialised countries, most people spend a lifetime working in organisations, whether businesses, government bodies or non-profit agencies. Some organisations are productive and stimulating; others are inefficient and soul-destroying.

As well as working in organisations, nearly everyone deals with them, or their products, on a daily basis. This occurs when purchasing goods and services and when negotiating one’s way through transport and communication systems. Because organisations affect every aspect of life, good organisations are valuable entities and are worth protecting and promoting.

How do members of organisations go about making them better? The usual way is to fix problems. Every organisation has problems such as poor communication, unproductive workers, inefficient technology and disputes over priorities. Quite a few

¹ I thank Lyn Carson and Diana Whitney for valuable feedback on drafts of this chapter.

organisations are even worse, with entrenched systems of abuse such as exploiting workers or selling products with known dangers. These are all problems needing to be fixed.²

The problem-fixing approach starts with identifying problems. This is followed by examining possible remedies, picking an optimal solution and implementing it. Suppose the problem identified is that too many workers are poor performers. The solution might be to put them on probationary regimes and, if they don't improve, dismiss them. Implementing this plan requires assessing workers, selecting ones for the probation treatment and then dismissing those who don't shape up.

The huge US energy company Enron used a system known as "rank-and-yank." Enron was noted for hiring the best and brightest talent. Every six months, each worker's performance was scrutinised and ranked and the bottom 15 percent of workers lost their jobs.³ Enron went bankrupt in a mire of debt, deception and corruption.

2 See, for example, Seth Alcorn and Michael A. Diamond, *Managing People during Stressful Times: The Psychologically Defensive Workplace* (Westport, CT: Quorum, 1997); Manfred F. R. Kets de Vries and Danny Miller, *The Neurotic Organization: Diagnosing and Changing Counterproductive Styles of Management* (San Francisco: Jossey-Bass, 1984); Deborah M. Kolb and Jean M. Bartunek (eds.), *Hidden Conflict in Organizations: Uncovering Behind-the-Scenes Disputes* (Newbury Park, CA: Sage, 1992); Kathleen D. Ryan and Daniel K. Oestreich, *Driving Fear Out of the Workplace: How to Overcome the Invisible Barriers to Quality, Productivity, and Innovation* (San Francisco: Jossey-Bass, 1991).

3 According to Peter C. Fusaro and Ross M. Miller, *What Went Wrong at Enron: Everyone's Guide to the Largest Bankruptcy in U.S. History* (Hoboken, NJ: Wiley, 2002), 51–52, Enron management used rank-and-yank arbitrarily to reward loyal employees and crush dissent, thereby drying up sources of feedback.

There are disadvantages in focusing on problems. Workers can become risk-averse, knowing if they are associated with things that go wrong they may be blamed and penalised. So they are less likely to take initiative. They also may start playing games to hide problems or sabotage the work of co-workers, so others will be blamed. A problem-solving orientation can, ironically, lead to the real problems being hidden and pseudo problems becoming the target as part of a jockeying for power and position.

Much of the work in organisations requires collaboration. Ideally, workers cooperate to get the job done. Effective cooperation requires trusting others. But if, as at Enron, the spoils go to the winners in a competition for credit, cooperation will suffer.

There's an even bigger problem with focusing on problems: in putting attention on what's going wrong, the sources of strength in the organisation are neglected and left unsupported. The problem orientation in organisations is apparent in the ubiquity of gossip, nearly all of which is negative. Workers gripe about pathetic decisions by management; managers gripe about hopeless workers. All complain about co-workers who are seen as difficult.

Is there an alternative? Is it possible to imagine workers regularly talking about how well things are going and how proud they are about what their managers and co-workers are doing?

Appreciative inquiry

In the 1980s, David Cooperrider and Suresh Srivastva developed a different approach to organisational development. They called it "appreciative inquiry." The word "appreciative" refers to something that improves, namely appreciates, like money at compound interest. In practice, it means focusing on positives.

“Inquiry” is a process of investigation. In brief, appreciative inquiry — AI for short — means investigating what is operating well, finding out the things that make this possible and strengthening those things.⁴

It sounds simple enough. Focus on the positives rather than on the negatives. Does it really make a difference? Diana Whitney and Amanda Trosten-Bloom give the following example in their book *The Power of Appreciative Inquiry*.

A classic example of AI’s commitment to the affirmative is the case of British Petroleum’s ProCare, a U.S. auto repair business. At the end of its first year of operation, ProCare’s customer surveys showed that 95% of all customers were 100% satisfied — an astonishing statistic that anyone in the auto repair industry will confirm. ProCare was not satisfied, however: They decided to conduct customer focus groups. Unfortunately, they only asked the 5% dissatisfied customers about their dissatisfaction. Then, on the walls in every station they posted vivid descriptions of the identified causes of dissatisfaction. Within a short time customer satisfaction ratings dropped, along with employee morale and retention.

After hearing about the success gone astray, a team of Appreciative Inquiry consultants made suggestions to help the failing business. They recommended that focus groups be conducted with the 100% satisfied customers. With great

4 See for example David L. Cooperrider, Diana Whitney and Jacqueline M. Stavros, *Appreciative Inquiry Handbook* (Brunswick, OH: Crown Custom; San Francisco: Berrett-Koehler, 2005); Sue Annis Hammond, *The Thin Book of Appreciative Inquiry* (Plano, TX: Thin Book Publishing, n.d., c. 1998); Jane Magruder Watkins and Bernard J. Mohr, *Appreciative Inquiry: Change at the Speed of Imagination* (San Francisco: Jossey-Bass/Pfeiffer, 2001).

skepticism and a moderate amount of curiosity, the leaders of ProCare agreed. The results were stunning. Customer satisfaction ratings reversed once again, this time for the better, as people began to learn and replicate their root causes of success.⁵

AI was initiated in the United States and has been taken up in numerous countries. The example of ProCare is one of many. Most of them, even if described briefly, actually reflect quite a complex process. That’s because organisational change itself is almost always complex. Is it possible to extract the core elements of the AI process?

AI can appear in many different forms. Whitney and Trosten-Bloom list seven change agendas suited to AI, eight forms of engagement and eight principles. For them, though, the core of AI is encapsulated in four Ds: Discovery, Dream, Design and Destiny, supplemented by a preliminary necessity, affirmative topic choice — which can also be termed Definition, becoming a fifth D before the other four. Their book, a practical manual, devotes a chapter to each of these five elements.

Affirmative topic choice refers to the topic investigated using the AI process: it has to be something affirmative, namely positive or good. Rather than focusing on problems, the focus is on something the organisation aims to be good at such as service delivery, customer retention, happiness at work or organisational learning.

Choosing a positive aspect seems simple enough, but actually it is delicate as well as crucial. If the boss sits down and decides “we’re going to investigate how to promote new

5 Diana Whitney and Amanda Trosten-Bloom, *The Power of Appreciative Inquiry: A Practical Guide to Positive Change* (San Francisco: Berrett-Koehler, 2003), 11–12.

business,” this may not resonate with the workers. The topic choices need to be ones that will motivate everyone involved, because AI is a participatory process. Sometimes a core group can develop the topics, but in larger organisations it is often better to involve a cross-section of workers in a lengthy process. Whitney and Trosten-Bloom give ten steps to affirmative topic choice, starting with an introduction to AI, including interviews, identification of themes and selection of topics.

Discovery is the process of finding out what the organisation does well. It is normally done using interviews. Interviewers, after careful preparation, talk to organisation members, asking them to tell stories about successful moments in the work. Who does the interviews? Organisation members themselves. It’s a participatory process.

Interviews are powerful tools. They can serve their obvious function, finding out about what the interviewees think. They also empower the interviewers, whose role is crucial to the success of the process. They forge links between organisation members. AI practitioners often recommend that people interview others they know least, so that interactions across the organisation are strengthened. Interviews also promote mutual learning: participants learn about the organisation in ways that would otherwise not occur.

The participatory nature of the discovery phase — with both interviewers and interviewees being from the organisation, typically from all levels — is the second distinctive feature of AI. The first feature, focusing on the positive rather than problems, is initiated in the first stage, affirmative topic choice, and continues throughout all the other stages. The second feature, extensive participation by organisation members, also started with the process of choosing the topic but is highlighted in the discovery phase.

Dream is the process of finding a vision of the future. The vision needs to be a collective one, developed through a participatory process, that captures what the organisation is capable of at its best.

The dream phase continues and builds on the characteristics of the prior stages. It is positive: a dream of an organisation functioning ideally rather than fixing problems. It is based on the stories that came out of the discovery phase. Those stories show what is possible; by examining them, common themes can be pulled out and put together to create the dream.

Design is choosing the sort of organisation its members desire. Like the prior stages, it involves a lot of discussion among everyone involved. Design can be a choice about what sort of business the organisation should be doing or what sort of relationships should exist in the organisation.

Whitney and Trosten-Bloom describe a design by a Canadian healthcare company.

During their strategic planning process it became evident that long-term care was an emerging market and a strategic opportunity for the business. After several hours of dialogue and deliberation they decided to forego this opportunity because nursing homes were incongruous with their personal values and dreams. Their preferred world was one in which people age with dignity at home, in the care of their families. Rather than entering the long-term care market, they determined to leverage what they were anticipating in the way of demographic changes by investing in the creation of a home healthcare business that continues to be highly profitable today.⁶

⁶ Ibid., 198.

Destiny involves implementation of the dream and design. Because AI has so many variants, what goes on in the destiny phase varies from case to case. One possibility is that the earlier phases have generated so much energy that individuals and groups are going ahead with ideas. Another possibility, more formal, is setting up project and innovation teams to implement facets of the design. Yet another possibility is that organisation members, having been introduced to AI, start applying it to a range of areas and practices.

Destiny is the final phase of the four or five Ds, but the whole process is a cycle. Reaching the destiny phase can mean initiation of new AI cycles.

Methods for promoting good things

AI is a process for making an organisation better, by harnessing the energy of organisation members to focus on the positive, investigate what is going well, envisage optimal futures and develop ways to achieve them. How does AI relate to the five methods for promoting good things? (These are the methods of awareness, valuing, understanding, endorsement and action, outlined in chapter 1, found to be relevant for a variety of good things, such as happiness and health.) One approach to this comparison would be to relate each of the five Ds to the five methods. However, the five Ds are really about how to implement AI. I think it's more useful to extract the key elements of AI. Here's my list.

- Focus on the positive.
- Involve as many people as possible in conversations.
- Develop a collective vision.
- Enable people to take initiatives toward the vision.

Now consider each of the five methods for promoting good things, applied to AI.

Awareness Make people aware of the good thing.

This is central to the entire AI process, with its relentless attention to what is working well.

Valuing Encourage people to value the good thing.

This is also central to AI. It involves appreciation of what is going well, another meaning of “appreciative” in appreciative inquiry.

Understanding Help people to know why something is worthwhile.

Understanding is a key outcome of AI. AI is a form of inquiry, namely a search for knowledge — knowledge about the positive workings of the organisation.

Endorsement Have respected figures support the good thing.

Formal endorsement by top managers is assumed in AI. In many cases, AI is initiated by CEOs. Sometimes the CEO asks for help from consultants, who convince the management team that AI is worth trying. For AI to be successful, employees need to be allowed to participate and to take initiatives. This would be unlikely without top-level support or at least neutrality. In writings on AI, there are hardly any examples in which workers initiated the process in the face of managerial opposition. Much of the challenge for AI proponents is to convince managers to support the process. So it is reasonable to say that endorsement is central to AI.

Action Do the good thing.

The destiny phase is essentially implementation of the design, which is based on the vision developed from the discovery.

In summary, the key features of AI map directly onto the five methods for promoting and supporting good things.

Methods and goals

When people think of good things, they normally think of an end state, for example being happy or being skilled. However, AI is not a state of being — a well-functioning organisation — but rather a method for members of an organisation to move towards a better state. Is there some discrepancy here?

Actually, the tension or difference between methods and goals is present in most good things — or maybe I should say good processes! Consider peace, for example, commonly thought of as a goal, either the goal of a world without war or something stronger such as a world with justice, equality and respect. However, some peace activists say the process of moving toward a peaceful world is as important as the goal itself. There is a saying: “There is no road to peace; peace is the road.” In other words, living in a peaceful way — a process — is both goal and method. Similarly, many writings stress that happiness is not a final state of bliss but rather a continual process.

There is a curious feature of language, at least in English, concerning goals and methods. There is no special word for peace as a process; to distinguish between peace as a goal and peace as a method requires a cumbersome explanation. Many people do not grasp the difference between them, in part because the distinction is so seldom articulated. Similarly, there is no special English word for happiness as a process, an absence that contributes to many people thinking of happiness as a state of being, often in the future. That in turn helps explain why the insight that happiness is, or can be, in the now is often seen as so profound.

In relation to organisations, the English language is even less helpful. There is no standard word for the process of becoming a better organisation, though there are plenty of descriptive phrases such as “organisational development” or “the learning organisation,” none of which has become standard. “Appreciative inquiry” is a particular way of going about the process of organisational improvement. Not only is there no standard word for the process, there is no standard word for the goal, namely a well-functioning organisation. The word “organisation” is neutral in respect to performance and the experiences of group members.

Some might argue that not too much distinction should be drawn between goals and methods, because methods should always incorporate the goal. That is certainly what AI does. The goal is an organisation that operates superbly; the AI method is to become aware of what things are already operating well and do them more and better.

Individuals and structures

Many good things can be promoted at two levels, individual and structural. For example, individuals can develop habits of happiness and health, but these habits are far easier to maintain if supported by structures in the wider society, everything from jobs to transport systems. So what about AI?

AI operates at both levels, but primarily at the structural level: the organisation. It is a collective process, built on interviews, stories, themes and group initiatives. So it is reasonable to expect that when AI is used, many individuals within organisations will become enthusiastic about their jobs and how to do them better and will help others to do likewise. That is exactly what happens. In example after example, AI unleashes enormous energy from organisation members.

Consider quite a different situation: a dysfunctional organisation in which one lone worker tries to make things better. If you are the lone worker, you can become aware of what it takes to make things operate better and take steps to live a more productive working life — but it can be a tough road. Individuals can make a difference, inspiring others. How to do this is not so obvious. If you're more productive than your co-workers, you may be resented as a rate-buster and become a target for undermining. If, by trying to improve things, you appear to support the boss, you might be ignored or harassed.

Trade unionists subscribe to the principle that collective action is far more powerful than individual action, as in the slogan “The workers united will never be defeated.” Effective unions operate against exploitation and abuses by managers, for example pushing for higher pay and safer working conditions and challenging arbitrary treatment. Their traditional orientation is as a counterweight to employers, though some unions become lapdogs for management. The point is that unions achieve their goals largely through collective action.

AI operates the same way, but without the usual management-union divide. It's worth remembering that unions are organisations too; some have many paid staff. There's nothing to stop unions using AI to become more effective. This leads to an image of both management and unions using AI — and perhaps even working together.

My friend Lyn Carson has vast experience fostering public participation,⁷ both inside and outside of organisations, and is a fan of AI. As well as using AI in organisations, she says it can be used with small groups too — just apply the same principles. She found it effective with a women's group for mutual support

⁷ Her website is “Active democracy: citizen participation in decision making,” <http://www.activedemocracy.net/>.

set up by a number of friends. Furthermore, she has tried out a type of personal AI: *discover* what you do well, *dream* of yourself at your best, *design* a way forward and act to achieve your *destiny*. Imagine the potential if individuals, groups and organisations all used AI simultaneously!