

The Appreciative Organization

REVISED EDITION

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COVER ART: Photo by Kenneth J. Gergen of “The Gates,” a Christo and Jean Claude exhibition, Central Park, New York City, February 2005.

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Prologue

*The challenge for the authors of **The Appreciative Organization** was to draw from our collective experience in organizations, and then formalize an answer to this question: What are the central features of an organization if its practices are based on social constructionist ideas and Appreciative Inquiry? In effect, this book is born of two assumptions:*

From social constructionist perspective, we propose that what we take to be real, rational and valuable, are created through the people in relationship. The continuous creation and sharing of meaning is the most crucial ingredient in an organization's capacity to function in a rapidly changing environment. And, unlike command and control organizing, the process of appreciative organizing more fully engages and inspires the members of the organization and synchronizes the organization more precisely with its surrounding environment.

From the practice of Appreciative Inquiry, we propose that within acts of mutual appreciation, lay the seeds of relational vitality. Through affirmative interchange, dialogue is animated, value is generated, and life is injected into visions of the organization's future.

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In this book we focus on the challenges of contemporary life for organizations, the conditions favoring the creation of the appreciative organization, promising practices, and the fruits of organizing in this manner.

As founders and board members of the Taos Institute, we have worked collaboratively on this book. We are eager to share ideas central to the Taos Institute and to our colleagues who engage in various professional practices from Taos to Tibet. We hope that through your relationship with these ideas, you find your own creative impulses stimulated into action.

In closing, we wish to thank our Executive Director, Dawn Dole, for her constant encouragement and helpful commentary during the book's production. We also extend our appreciation to Sally St. George, Dan Wulff, and Robert Cottor, Taos Institute Board Members, and the Publication Committee, including Harlene Anderson, Jane Seiling and Jackie Stavros, for their reviews, comments and enthusiastic support of this project. Last, we wish to recognize the work of David Runk and his staff at Fairway Press for their courteous and efficient services as our printer.

Mary Gergen, Editor of the Second Edition

Chapter 1

Toward Appreciative Organizing

This book is designed to provide readers with the inspiration and resources for developing an Appreciative Organization, one that is maximally suited to the emerging conditions of the 21st Century. In this world of rapid and complex change, we believe the old hierarchically organized, command and control model of organizing has ceased to be effective. The process of appreciative organizing is optimally suited for the emerging conditions of organizations today. Needed is a new form of organization, more flexible, sensitive to change, and quick to utilize information. Such an organization is not only more effectively self-sustaining, but contributes to the personal lives of the participants and to the surrounding communities of concern. In this first chapter, we focus on conditions favoring a process of appreciative organizing. Simply put, appreciative organizing is based on the assumption that the continuous creation and sharing of meaning is crucial to the full engagement of individuals and to the capacities of the organization for fluid and effective transformation.

Organizations Under Stress

We are living in a period of enormous change. Whether we call it the “information age,” the “Postmodern era,” or “the context of chaos,” there is broad agreement that times are rapidly changing. The force and implications of these changes can seem daunting, opening up possibilities of a self-fulfilling prophesy of helplessness and hopelessness that leaves us abandoned to a future of negative imagery. Consider some of the emerging challenges:

- Although often very large, organizations are increasingly fragmented — through geographic expansions, mergers, and the diversification of functions.
- In this age of technological innovations, information accumulates more rapidly, becomes increasingly complex, is less reliable, and is more rapidly outdated.
- The speed of change, in economic conditions, government policies, and public opinion, outpaces assimilation. Long term strategic planning becomes increasingly ineffectual.
- New organizations, new products, new laws, new systems of accountability, and new communication systems constantly shift the terrain of competition and cooperation.
- The diversity of differences — ethnic, cultural, ethical — involved in the creation of the organizational culture and its surrounds provides opportunities for growth and for conflict.
- Personal commitments to organizations diminish. Ties based on trust and long-term understandings are eroding. Company loyalty even seems “old-fashioned” to many young workers.
- The opinion climate can rapidly change, and the range of opinions to which the organization must be sensitive constantly expands.
- Demands for workplace democracy are everywhere increasing.
- The eco-geo-political climate, including global warming, ecological disasters, terrorist attacks, civil wars, govern-

mental shifts, and shifting political alliances all influence organizational activities in unpredictable ways.

These are major challenges to organizations today. How should an organization best respond to them? For many organizations the answer is one of life or death.

The Traditional Organization in Jeopardy

These dramatic changes in world context place the traditional organization under threat. Such organizations are established as solid structures, pyramidal in form. Orders move from top to bottom, information is passed in the opposite direction. Employees compete for upward mobility. Firm boundaries separate the organization from the world outside. Consider the challenges faced by such organizations:

- Those in command try to establish a singular and coherent view of *the* organization, its goals, and its practices. In the meantime, multiple views of the organization circulate both within and outside its walls.
- The CEO, executive director or president often is expected to provide the vision for the organization. Top down control undermines the initiative of those below to deliberate on the future of the organization. Their voices are lost, along with their desire to engage in renewing the organization's capabilities.
- Because the hierarchical structure heightens competition among members of the organization, they avoid cooperating with one another, unless it advances their own goals. Employees tend to pass on only that information which favors them.
- Diversification of functions generates ignorance of all that is not in one's assigned realm. Decisions within functional units are often self-serving, and are not coordinated with other groups in the organization.

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- A stable organizational structure favors fixed flows of communication; differing perspectives may never confront each other.
- A strict boundary definition, distinguishing between what is inside vs. outside the organization, results in separating the meaning making process within the organization from the communities of meaning outside the walls. The organization runs the risk of blindness toward the cultures of meaning on which its future depends.

These are daunting challenges for the traditional organization. And, with the lack of alternative visions, the response to these conditions is too often a furtive clinging to the past. Steps are taken to strengthen the power of the few, clarify the policies and monitor compliance, sharpen evaluation of individual performers, and intensify the internal competition. It is precisely here that the potentials of the appreciative organization become relevant.

Enter the Appreciative Organization

The most common metaphor for describing the way a traditional organization functions is the human being. According to this view, the plans, goals, and decisions are made by the brain (at the top), and the actions are executed by the body (or the workers) below. There is much that is inadequate about this metaphor. Most importantly, it ignores the fact that all members of the organization have able brains as well as hands and feet. However, the way in which all of the brains in the organization function largely depends on relationships among the participants and others. These relationships can be stifling, or they can unleash enormous potential. If we understand the functioning of these relationships and set specific practices in motion, the organization can be transformed. The organization can charge ahead, ready to meet and master the challenging new world conditions. Four basic ideas provide the scaffolding for understanding the function of relationships in the appreciative organization.

#1 We live in worlds of meaning

Traditionally we think of organizations as functioning in the real world, made up of things like salaries, production lines, factories, and inventories. These are the realities of organizational life, and it is important to understand the way they function. Our perspective is quite different. In our view, organizations live or die not by virtue of these realities, but by the way in which realities are constructed. What some call “our leader,” others may call “a tyrant”: what some say is an “organizational ethic” others may say is “a ruse.” The fact that objects are moved out of a factory does not in itself constitute “production.” It all depends on what objects we are willing to count as a “product.” The very same objects could be viewed as “marketable products” or as “waste products,” depending on the meanings we assign. There are no “problems” in an organization except within a particular framework of meaning. One person’s problem is another’s opportunity. By taking this position, we replace the realist’s view of “the world as it is” for the constructionist view of a “world that has meaning for us.” It is through these constructions that the future of the organization depends.

Judy Wick, founder of the White Dog Café in Philadelphia, sets an example for other restaurateurs in her approach to ecological issues. Her menu specializes in ingredients from local farms, which she often subsidizes in order that they may operate according to high standards of production and animal care. The White Dog “garbage” is now recycled for fertilizer and the deep-fat frying oil is converted to diesel fuel. Garbage doesn’t mean waste at the White Dog.

#2 Meanings are embedded in action

As the world has meaning for us, so do we act. To construct the organization as valuable, its goals as worthy, one’s duties as

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reasonable, one's colleagues as esteemed, and one's identity as valued by others is to invite vigorous and productive engagement in organizational life. An example: if one's salary means that one is "underpaid" or "under-appreciated," it is more likely to invite lethargy or destructive acts than spirited dedication to the advancement of organizational goals. How one acts as a member of an organization is the outcome of meaning-making in the organization.

The chancellor of the college sends out a message following an honors convocation thanking members of the campus community for making it a success. Individuals and groups from the janitors to the food preparation people to the provost are included in her praise. Donors and students, as well as faculty members are lauded. The brilliant success of the event is attributed to them all. Each alone could have created nothing. This message plants fertile seeds for future undertakings as each member of the community feels appreciated and respected for their contributions.

#3 Meaning is constructed in relationships

The meanings we assign to the world are not our private inventions. They do not originate in minds cut away from others. They are created within our history of relationships — from our early childhoods to our most recent conversations. If there were not a world of conversation in which matters of "the economy," "fairness," "quality of life," and so on were focal, it is unlikely that one would ever use such terms. It is through our relationships — through talking, gesturing, and acting together — that we determine what is real and valuable for us. It is through relationships that rationality is created, goals become important, and one feels valued or not.

On Election Day, a father and his young daughter are shopping for groceries. The girl asks her dad to explain a poster she had seen in the parking lot advocating the election of a candidate. Her father says, “All you have to remember, honey, is to vote for the candidate with the shortest name.”

#4 Shared meaning relies on appreciation

Meaning is born in the act of affirmation. If we speak to another, and there is no response we are left to wonder whether or not our words were heard. “Did he hear what I said? Has he misunderstood me? Is there something I don’t understand?” Meaning comes to life when another affirms that our words make sense, when there is some form of “yes, I understand.” Affirmation is a way of appreciating another as a meaningful agent. In addition, someone who gives affirmation is also invited into meaning-making. Failing to understand others leaves us with no means of participation. In effect, in affirming we also recognize our own entry into meaning. The process of co-creating meaning begins. Appreciation is the essential ingredient of coordination. Mutual appreciation ignites the growth and enrichment of meaning.

A multi-disciplinary committee was formed to help select a new head of a division on the basis of an external search. Included in the group were several mid to high level managers, and two administrative assistants, who would be working with the new hire. The meeting began by sharing a lunch together. During this time, at the oval table in the small conference room, a mix of light-hearted conversation and ideas for conducting the search process were discussed. There

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was informality, laughter, and a sense that people were “all in this together,” despite the fact that it was beyond the call of everyday duty, and not normally a task for which anyone would volunteer.

Near the end of lunch, one of the more junior managers suggested that instead of going through the list one by one, in alphabetical order, people just said who their top picks were from the pile of 50 applications — just to see if there was any agreement. A consensus that this could be tried was informally achieved. The group around the table took turns naming their favorites, and someone volunteered to keep a tally on a white board. As it turned out, the level of agreement was very high. When there were differences people expressed their views as to why they liked one candidate or another. As the meeting progressed there was a growing sense of respect, appreciation, and rapport among the members of the committee. The chair participated primarily as a facilitator, who agreed to collect the names of the top five candidates and present them to the executive board for further deliberations. The meeting, which could have taken weeks, was concluded in two hours.

The appreciative atmosphere extended beyond the meeting and permeated the relationships of the committee members long after their assignment was finished. People who served on the committee developed a special kind of kinship, and they even suggested among themselves that they should become The Committee; whenever the organization needed to solve a sticky problem in short order, they could call on them. It was a shame, they thought, to lose the magic and the momentum they had created.

The Fruits of Appreciative Organizing

These four ideas provide direction for exciting transformations. We move away from a view of the organization as composed of a single head or leader, and a docile and passive body of supporters. Instead, we come to see organizations as enormous repositories of life-giving potential. Within every conversation, there is opportunity for generating mutual value, for incorporating new information and ideas, for creating harmony, and enriching the spectrum of possibilities for the organization.

Appreciative organizing brings benefits not often witnessed in the rigidly hierarchical organization. There is a continuous flow of meaning making throughout the institution. Relationships bring forth previously untapped resources for making sense with others. In particular, appreciative organizing bears the following fruits:

- ***Innovation*** — As views and values circulate more freely within the organization through all levels and functions, so are members exposed to many ways of understanding. As an attitude of appreciation is fostered, people listen to each other. And, as different ways of understanding are brought together, novel combinations are invited. Creativity doesn't spring from the head of the isolated individual; it is born in the intersection of different views.
- ***Flexibility*** — Through dialogue, new information is continuously being processed, and plans and practices are more sensitive to the changing situation. Because the concept of process replaces the traditional model of organizational structure, one is prepared for movement. Ersatz project groups can become powerful and sensitive centers of change within the organization. Movement, as opposed to "the single best structure," becomes a way of life.
- ***Integration*** — A successful organization is one that has integrated a diversity of viewpoints within its boundaries. Re-circulating identical opinions is equivalent to breathing stale air. If a diversity of ideas and information circulates

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freely throughout the organization, parochial decision-making is reduced. Local decisions reflect ever-expanding domains of meaning. Depth of understanding is never sufficient for decision-making; breadth is also necessary.

- ***Collaboration*** — Because the growth of meaning always requires appreciative relationships, collaborative decision-making is favored. One understands the limitations of local realities and value commitments and the necessity of interdependence. To negate the other is to diminish one's own potentials.
- ***Affiliation*** — Because one works appreciatively with those in various levels and units of the organization, they become known as persons and their success becomes your success. They are not antagonists but protagonists in a story that you create together. Trust is pervasive.
- ***Engagement*** — Because each member of the organization recognizes one's interdependence with others, one becomes engaged in the trajectories of the organization. One doesn't sit and wait for orders, but proactively pursues organizational aims. As one helps to create the visions and their value, they become expressions of one's identity.
- ***Coordination with the "Outside" World*** — By increasing the range of dialogic participants and engaging with their diverse logics, the organization becomes more fully integrated with its surrounding culture. This allows for a greater affinity with the external community.

Building the Appreciative Organization

In the pages that follow, we will have much to say about the kinds of practice that foster appreciative relations. However, to prepare the way and to fill out the developing picture of appreciative organizing, the following invitations are especially important:

Foster Relational Interdependencies

Creating webs of interdependent relationship is a necessary

prelude to the development of a thriving organization. As webs of interdependency expand, so is the flow of meaning within the organization extended. This expanded flow not only helps to coordinate disparate groups around common goals, but as new views are shared the potential for greater creativity and flexibility is more easily realized. When any group becomes isolated — whether at the level of top management or in the mail room — there is danger of misunderstanding, a failure in coordination, and the generation of conflict.

A merger of a British and an American company was in process. It was clear to all concerned that the organizational cultures were very different. The Brits were more serious, refined, and polite, but distant toward strangers. The Americans were less sophisticated, but good at their crafts, and friendlier to outsiders. A consultant working with a merging engineering group decided to challenge them with the task of designing an apparatus that would be able to compete in a race. She created five mixed groups of US and British workers and set up the task. The firm provided supper, supplies, and space for the teams to work, which they did, late into the evening. The scene was helter-skelter, with engineers up on ladders, creating tracks across the ceilings, as well as crawling around on the floor putting together odd looking implements; there was much laughter mixed with intense brainy discussions, and collaborative creativity. At the end of the exercise there were winners and losers in the competition, but the new links forged across the “pond” were priceless.

Encourage Multiple Realities

In the Western world, we inherit a long-standing tradition of truth seeking. It is a tradition that strives to locate the most accurate and objective formulations possible, and to jettison the rest. Yet, from what we have said about meaning-making, there is no one truth about the world. If we approach decision-making in our organizations by seeking the one single inviolate truth, we are likely to eliminate many different perspectives. We settle on what seems for the moment to be “the real,” and become blind to other perspectives, other traditions of meaning making, and the actions they invite. Through absorbing and reflecting upon alternative views, new syntheses are possible, and new realities entertained. There are multiple potentials to explore, but nothing is considered true beyond a doubt.

Promote Dialogue

We inherit a strong tradition of the heroic leader, one who thinks *for oneself*, and whose acts naturally inspire others to follow. However, our capacities to deliberate are also born in relationships. With multiple relationships, we acquire a greater range of concepts, rationalities, and images of the possible. Thus, as dialogue becomes a normal way of life in the organization, we grow sensitive to multiple realities and learn to negotiate across diverse relationships. Further, it is when ideas are shared, that they are generative. Replacing singular decision making with dialogue is essential to the operation of the appreciative organization. Further, when dialogue is appreciative it builds trust. The failure to engage in dialogue encourages alienation and suspicion; it is thus a counter-productive move.

A large pharmaceutical subsidiary is asked to operate more efficiently by its parent company. To facilitate this goal, the CEO engages with his team to create twelve groups of advisors, who are chosen from all parts of the company, and from all work groups, from managers to cleaning

staff. Each group is charged with coming up with ideas to reach their goals. Because the groups are composed across disciplines and pay levels, relational interdependencies are created, intense and open dialogue is created, and a vision larger than the interests of any group is produced. Arbitrary downsizing was avoided through this process; instead new modes of productive activity were designed, which improved the bottom line of the company.

Encourage the Imaginary

Daily life in many organizations is concerned with putting out fires. The immediate challenges — how to meet this deadline, how to solve that problem, and how to avoid this disaster — are given top priority. Such issues can be all absorbing. When they fully consume our attention, the organization moves toward stasis. There is only a single reality before us. However, tapping into the imaginary allows organizational members to bring forth new ideals, desires, and visions for the future that inspires the growth of new meanings, new rationalities, and new actions. *It is within the dialogue of the imaginary that new worlds are brought forth.*

Act within the Moment

Change is inevitable. Holding too tightly to past constructions (“our established policy,” “our five year plan,”) fosters insensitivity to the complexities of the present. The traditional demand for consistency can be seen as an invitation to rigidity. Appreciative relations generate a condition of openness to new insights. Actors are able to move fluidly across the plane of possibility as the situation continues to change. This approach suggests that pre-planned responses to a crisis are only useful as one input into decision-making in a complex and chaotic situation. Planning is a useful exercise, but not the end-game.

Keep the Conversations Going

The firm, final, and fabulous conclusions of today often become tomorrow's delusions. To be sure, decisions must be reached daily in organizational life. People must act. However, these should be understood in terms of the specific conditions of the moment. Conditions never remain the same. Thus, it is important that actions remain continuously open for reconsideration. *Appreciative dialogue is never-ending.*

Bandits were marauding corporate offices in the semi-rural area outside a city in Latin America. The problem of dealing with this threat called on the innovative capacities of the employees, who needed to make preparations that would forestall the bandits emptying the vault, taking hostages or killing people. Discussions were held with all the departments so that everyone would be aware of the dangers and also of their potential responses if such an event were to take place. A "reasonable" amount of money was set aside for the robbery, the guards at the gate were advised not to engage in a shoot-out; the receptionist was to turn-over the money without protest. Thus, the organization had plans made in advance.

However, things did not quite go as planned and new initiatives had to be enacted. One night the bandits snuck into the building undetected; the next morning the receptionist was captured in the lady's room, and she became a hostage. Her colleagues stepped in to handle the negotiations, the robbery took place uneventfully, and the receptionist was later released unharmed at the gates. Tragedy was averted because the employees collaborated in a flexible manner in a dangerous and unique situation. Happily,

through the coordination of the company with external agencies, the bandits were later caught by the police.

What is Coming?

The remainder of this book outlines more fully how an appreciative perspective contributes to the strength and sustenance of organizational life. In Chapter 2, we illuminate the process of forming conversational partnerships, and its significance in the life of the organization. In Chapter 3, we explore the concept of leadership. An appreciative orientation places a strong emphasis on collaborative leadership practices. Then in Chapter 4, we discuss in more detail the ways in which the entire organization may be brought into the process of sharing and creating meaning through Appreciative Inquiry practices. A new vision of evaluation in organizations is presented in Chapter 5, one that emphasizes appreciative relations as opposed to the critical judgment of supervisors. Finally, in Chapter 6, we look at the relationship of the organization to the world outside. Appreciative organizing calls for an erasure of firm boundaries between what is inside and outside the organization, and for a productive sharing of constructed worlds.

Appreciative Inquiry is the co-evolutionary, co-operative search for the best in people, their organizations, and the relevant world around them. AI involves the art and practice of asking questions that strengthen a system's capacity to apprehend, anticipate and heighten positive potential. AI practice focuses on the speed of the imagination and innovation. Instead of negative, critical, and spiraling diagnoses commonly used in our organizations, there is discovery, dream, design and destiny. Organizational Change.