



## Leading Positive Change: Are We Looking for Answers in All the Right Places?

*By Dr. Nadya Zhembayeva\**

In a sun-lit classroom of IEDC-Bled School of Management, a group of senior managers is hard at work. At a first glance, the intense discussions and strong arguments might appear as a typical problem-solving exercise: take a problem, understand the factors of failure, and propose a decision. But what if you listen closely, you might find yourself amidst a very different conversation.

What is unfolding in front of you is a process of Appreciative Inquiry (AI) – a change management methodology often celebrated as the most important innovation in strategy and organizational development of the past decade. Just like the traditional change management process, Appreciative Inquiry addresses a problematic area of company performance – whether it is productivity, customer satisfaction, cost efficiency, or any other domain. But unlike the traditional problem solving, AI looks for answers in a less than obvious places. Instead of analyzing past **failures** in an attempt to improve performance, through the process of Appreciative Inquiry managers systematically search for and analyze past **successes** – and companies from Wal-Mart to Ernst & Young are buying in.

So, what does this shift look like, exactly?

When a major airline experiences excessive baggage loss, it is tempting to focus on failure trying to understand what the company is doing wrong. Appreciative Inquiry shifts the focus of analysis from the extraordinary baggage loss towards extraordinary arrival experiences – systematically finding and analyze situations when a passenger had exemplar arrival even when all circumstances, from weather to air traffic, worked against the company.

For a car service company thriving for 100% customer satisfaction, it is normal to look into each lost or dissatisfied customer, searching for reasons for failure. Appreciative Inquiry challenges the company to deeply understand reasons behind each loyal and satisfied client, assuring that there is a compelling reason for every customer to stay with the company in the future.

For a specialty coffee company going through rapid growth, costs are the name of the game. Instead of focusing on inefficiencies, Appreciative Inquiry invites the company to find best but underutilized practices throughout all major practices, and assures that such cost-saving practices become a norm, rather than exception.

Whether it is manufacturing or services, small or large, for all organizations results and discoveries of Appreciative Inquiry differ drastically from traditional strategic change efforts. When we focus on what we are doing wrong, we become experts in repeating our own



mistakes: they let us know to the last little detail of how to do what is wrong, but tells us little about how to do what is right. Appreciative Inquiry allows us discover the right course of action in a systematic and comprehensive way, which is only possible where we shift the focus, and re-frame the question of our inquiry. When we address the issue on hand by ignoring the many cases of past failures, and focusing on examples where similar issues were resolved successfully, not only we find surprising answers, but also energize employees, foster creativity, and avoid blaming games among our team, thus assuring successful turnaround of the change process.

And what about results? For an approach traditionally perceived as ‘soft’, Appreciative Inquiry has had a remarkable track record. Just a short sample of tangible financial results suggest strong case for AI: for Hunter Douglas's Window Fashions Division, using Appreciative Inquiry in business process improvement initiative generated savings of \$3.5 million in the first year; Green Mountain Coffee Roasters successfully achieved "25¢ Challenge," which allowed for reduction of operating costs by 25 cents per pound of coffee, approximately a 7 percent reduction in gross costs. Managers of Santa Ana Star Casino believe that Appreciative Inquiry was instrumental in driving revenues and achieving profit turnaround of 10 million dollars in 2003. Ernst & Young added Appreciative Inquiry to its toolbox, while Wal-Mart has used it in its change management efforts for sustainability. GTE, British Airways and NOKIA continue the list, all suggestion that the time might come to start looking for the answers in less than usual places.

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*Appreciative Inquiry is introduced throughout IEDC Executive MBA program, and is offered as a topic of an open seminar at the School. You can find more information about Appreciative Inquiry at the [AI Commons](#).*