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Culture Continuity during Leadership Transition
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LeadShare (LS), a partnership of nearly 350 accountants and management consultants in Canada, embodies a unique blend of tradition and innovation which has proved successful, often placing it at the forefront of change. LeadShare's inception dates back to the mid-nineteenth century, close to the time Canada became a country. Within the past 25 years, LeadShare has expanded its spectrum of client services and reshaped itself for double digit growth, currently ranking among the top accounting firms in Canada.

Human Resources is a critical function at LeadShare. The firm values human capital and recognizes the need to hire the right people to produce and deliver quality products and services. Today, individuals recruited by LS have far more complex qualifications because competition for competent people is intense. The need for professional development is

just as urgent.

More than ever, LS people have to be futurists. The firm must be capable of looking ahead, discerning what is on the horizon, and preparing for it. The goals LS has for itself are the same as those of its clients: do the best today and anticipate and be poised to do even better tomorrow. As a partnership of shared management, preparation for tomorrow is a collective effort.

Roundtable

In anticipation of transitions in two key executive positions within the span of three years, the organization set in place a succession plan to ensure minimum disruption and to prepare for leadership entering the next millennium.

LeadShare launched the "Roundtable" initiative; Roundtable to suggest leadership without hierarchy, shared resources, and cross functional networks. The

objective of Roundtable is to enlighten the next generation of leaders about the firm's history and tradition and their ingredients of success. A desired outcome for Roundtable participants is to develop a group of agents of culture who sustain the firm's traditions, practices, and behaviors while multiplying the factors of success.

Using current values, assumptions, and motivations as stepping stones to new ones requires knowledge of what the current ones are. Unfortunately, cultural assumptions are usually taken for granted and therefore difficult to see (Schein, 1985). LeadShare realizes that it must find ways to articulate the implicit aspects of its culture if it expects to grow in new directions. A move in that direction is to provide a venue for partners to talk about their experiences and views about what is different, special, and valuable about the firm. Freud (1921) spoke of five "principle conditions" for raising collective life to a higher order: (1) some degree of continuity; (2) some definite idea; (3) interaction among the group; (4) traditions, customs, and habits; and (5) definite structure. These principles serve as a useful preamble to the methodology that guided Roundtable. That methodology is Appreciative Inquiry.

Appreciative Inquiry

Appreciation is a *selective perceptual process* which apprehends "what is" rather than "what isn't." It represents a capacity to be selectively attentive to

the lasting, essential, or enlivening qualities of a living human system. Appreciative management, as a process of valuing, consists of a rigorous ability to disassociate all seeming imperfections from that which has fundamental value (Cooperrider, 1988, p. 4).

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According to the theory's creators, David Cooperrider and Suresh Srivastva, in its most basic meaning, Appreciative Inquiry is a form of organizational study that selectively seeks to locate, highlight, and illuminate the "life-giving" forces of a firm's existence

(1987).

There are two essential questions behind any appreciative study:

- A. What makes organizing possible; and
- B. What are the possibilities of newer and more effective forms of organizing.

Four basic principles guide Appreciative Inquiry:

- A. Exploring the life-giving forces of the firm should be *appreciative* in nature. The appreciative approach looks for what "works"; those peak aspects that serve to activate partners' energies and competencies.
- B. Exploring the life-giving forces of the firm should be *applicable*. It should lead to knowledge that can be validated and used productively.
- C. Exploring the life-giving forces of the firm should be *provocative*. Appreciative knowledge is, by nature, suggestive of what might be. Looking at the best of "what is" kindles the thought of "what might be"; it also challenges the firm to become the best of "what is possible".
- D. Exploring the life-giving forces of the firm should be *collaborative*. It should foster healthy dialogue

about the way things were, the way things are, and the way things can be.

Several dimensions of the AI process contribute to its uniqueness as a tool for succession planning (see Table 1). Foremost is the shift from the traditional "great man" approach to succession to one that emphasizes collectivity and collaboration. Harlow Cohen argues that managerial high performance is a function of collective effort (Cohen, 1986). Cohen believes that managerial work is characterized by (1) high dependence on others; (2) continuous ongoing activities with no defined beginning or end; and (3) a preponderance of time spent in face-to-face interaction. Collaboration is defined in terms of consciousness, choice, caring, and commitment. Collaboration operates within a relational system characterized as a just system based on fairness, mutuality and responsibility (Appley & Winder, 1977).

The primary objective of AI in the Roundtable program is to assist LeadShare in envisioning a collectively desired future, and then collaboratively carrying forth that vision in ways which successfully translate intention into reality and belief, and then into practice.

The Roundtable was a component in a major or-

ganization development intervention that spanned two decades at LeadShare. Roundtable itself was a multi-year intervention with core activities occurring during a six-month period (see Table 2). Work included development of the AI interview protocol, data collection, thematic analysis of data, data feedback, and identification of future direction.

Collection of Data

Over 700 pages of data were collected throughout an 18-month period using common social science methods which included:

1. **Interviews.** The 40 partners who were selected to participate in Roundtable conducted open-ended formal interviews with the entire population of partners in the firm. Each interview lasted about two hours and covered questions about their experience in the firm and six topic areas: (1) partnership; (2) determination to be winners; (3) diversity; (4) Consensus decision making; (5) possibilities/positive thinking; and (6) conditions for people to excel. The topics and interview questionnaire were created by external consultants in collaboration with members of the organization's Management Committee. Roundtable participants were instructed by video on how to conduct an Appreciative Inquiry.

2. **Historical Documents.** Reports, articles,

Table 1. Comparison of Traditional Approaches to Succession and AI

	CONVENTIONAL	APPRECIATIVE INQUIRY
UNIT OF ANALYSIS	Primacy on Individual	Primacy on Group
TYPE OF ANALYSIS	Problem and Organization Diagnosis	Embraces a Solution
SOURCE OF VISION	New Leader, the "Messiah"	Three Generations of Current Leaders
PRE-SUCCESSION SUCCESSION	Psychological Trauma Disruption	Valuing, Visioning, Dialogue Creating the Vision
POST SUCCESSION	Alienation	Culture Continuity

speeches, newsletters, unpublished papers, and memoranda were reviewed and content analyzed.

3. **Observations.** Office visits, committee meetings, and retreats were attended which provided a first-hand experiential basis for understanding the culture of the firm.
4. **Survey.** In a second phase of the research, a survey was conducted at the Annual Meeting of the partners to provide convergent validity to the interview data. Developed by the 40 Roundtable participants, the survey summarized the six topic areas based on the "7 S framework" (see Peters & Waterman, Jr., 1982). The partners gave two ratings on a 7-point Likert scale: (1) the extent to which they felt the survey statement represented an important "ideal" to continue to be pursued by the firm, and (2) the extent to which the survey statement was reflected in practice.

Analysis of Data

For purposes of reliability and objectivity, the raw data was analyzed by two independent researchers in addition to the author. Word counts and interpretations were consistent among the three. The qualitative data and results from the survey provided a set of descriptive themes. From these themes emerged a preliminary description of a set of characteristics around the concept of "culture continuity".

The following are the major themes of our analysis:

1. **The Feeling of Unity.** This refers to general solidarity. Unity is exemplified through shared decision making, partner support, working and playing together, the annual meeting, other meetings and anniversary celebrations.
2. **Respected, Responsible, Inspirational Leadership.** Partners focused on "success generating success" and confidence in the courageous and responsible leadership of the firm. Service to the

Table 2: Roundtable/AI Design

MAY	• Data collected to identify affirmative topics to be explored • Affirmative topics identified • Affirmative topics discussed with Management Committee and modified
JUNE	• Questionnaire developed
JUNE/JULY	• Roundtable participants conduct interviews
JULY	• Interview data summarized
AUGUST	• Roundtable participants and staff receive samples of data from interviews
SEPT.	• Roundtable participants and staff receive summarized version of interview data • Roundtable session: Retreat at Mt. St. Marie, Ontario Roundtable session focused on: 1. Reaffirming the affirmative topic choices and creating a common base of data for all participants 2. Stating provocative propositions about the life-giving properties in the firm 3. Consensus validation of propositions using force-field analysis and debate 4. Identifying the next steps for experimenting with provocative propositions
OCTOBER	• Administration of Consensus Validation Survey at Annual Partners' Meeting

client is not sacrificed through the commitment to success, growth, and profitability. Automatic committee rotations increase understanding and appreciation of various factors in the firm and provide continuity. Communication and participation before action and major changes build consensus and strengthen the feeling of "partnership". Deliberation guards against hasty decision making and the potential loss of things absolutely critical to the success of the firm.

3. **Justice and Equality.** The consensus building process, the "one partner, one vote" decision making structure, the development and partnership system. The financial and remuneration structure, the commitment to diversity and autonomy, and the partner exit counseling program breed an en-

environment based on fairness, choice, appreciation, openness, and care.

4. **People Development and Professional Competence.** Constant learning and the development of partners are priorities. Partners should not only be competent in their respective skill areas, but they must also have the ability to attract and retain top quality people and instill in them personal pride.

Major Themes with Selected Data

The following are the major theme areas with selected representative data. These examples are provided to build some sense of clarity around the thematic framework.

1. The Feeling of Unity

- LeadShare does a very good job of making all the offices feel that they are a part of the whole. There is an ongoing feeling of unity among the partners, most likely from day-to-day experience. The partnership seems to work well. When you come away from the annual partners' meetings, you walk with a spring in your step.
- Different specialties are encouraged to combine forces. Also, there is the "one firm" attitude, which fosters cooperation. Different groups are combined with a unified top management team and national profit sharing, which allows the success to be shared.
- The managing partner's monthly memos are very important. It is clearly evident that he puts a lot of thought and time into them and through them the feeling of one firm is created. The feeling that we as a firm and as individual partners are very valuable, i.e., the feeling of "wholeness" comes through.

2. Respected, Responsible, Inspirational Leadership

- The leadership does not dictate. It sacrifices quick decisions for gathering a majority view. This is the way it should be.
- Through the whole process of choosing our leaders, we provide for continuity within the firm for building consensus.

Communication is the key word. It's letting partners know what the issues are prior to final decisions and obtaining feedback and input from them.

• Communication is the key word. It's letting partners know what the issues are prior to final decisions and obtaining feedback and input from them. Obviously, where partnership is so large, it may be difficult to do this on all issues, but we have found it beneficial at annual partners' meetings to have break-out groups where partners are able to have input on things of national concern.

- No matter how small your office is or how far away you may be from the center of Canada, you still have very good feeling that you are making a contribution. Someone is listening to what you are saying. Your input counts.

Justice and Equality

- At LeadShare, it's equality: it's one pot, one partner, one vote.
- There is a great sense of pride among partners that LeadShare, against heavy odds, turned a challenging region into a success story. The managing partner spared no expense for translations and set an example by learning French.
- I've been involved in two or three instances where we have counseled partners out — it's a difficult process; and without a doubt, the firm has been fair with these, maybe more than anyone else would have been.

- We started out being autonomous, and organized into a national firm later. Our roots through the merged units are to be autonomous, so we centralized. The main thrust was to keep the autonomy of the local offices.
- Merger issues with [a particular firm] where certain outstanding merger issues were settled through cooperation in a manner that was most fair.
- When the firm lost a lawsuit, the manner in which the partners rallied around the individual partner involved was quite impressive.

People Development and Professional Competence

- In recognition that we are in a knowledge business, our leaders direct and the partners accept responsibility for significant self development — including personal, professional and people management skills.
- We feel that management of continuity is prepared well in advance so that when a change does occur, it is not disruptive. The confidence is in younger partners. There are efforts to develop the management potential of younger partners.
- The Roundtable. It's an interesting process in worrying about continuity from one leadership to the next. This process involves a number of perspectives from different partners as well as getting in touch with our strengths so that we don't move too quickly to change things that are absolutely critical to our success.

The concept of leadership goes beyond professional services and management processes — it includes the ability to inspire and nurture talent and innovation.

1. Commitment to the concepts of "partnership" through communication, consensus building, "one partner, one vote," face-to-face interaction, partner development and evaluation, profit sharing, and confidentiality of unit allocation, all which supports a feeling of fairness and trust.
2. The firm continues to provide high quality, personalized, prompt, and diversified services as well as offering clients the best value for their money.
3. The vision of the firm is communicated through everyday behavior and performance.
4. The concept of shared ownership demands that each partner be responsible for the future of the firm.
5. The concept of leadership goes beyond professional services and management processes — it includes the ability to inspire and nurture talent and innovation.
6. People at all levels are developing professional and client service skills. These skills include technical competence in their respective disciplines and a knowledge of current technology.
7. The firm attracts, recruits, and retains the best people across disciplines to develop as professionals.
8. The partnership attracts, develops, and retains people who are intelligent, hard working, energetic, possess good interpersonal skills, and have the courage to change barriers into opportunities.
9. The firm aggressively pursues specialty mergers, acquisitions of service firms and hires recognized experts to expand the diversity of services, skills and people, all to expand the firm's base.

The Factors of Culture Continuity

Following are eleven propositions that emerged when the thematic framework was taken to a higher level.

10. The basic strategy for obtaining profitable growth in both the domestic and international environments is through harnessing positive and innova-

tive thinking and using the most current technological and communications capabilities available.

11. Each partner is responsible for leaving a legacy in terms of building firm assets, which includes people, clients, and services.

Conclusion

To the extent that organizations want to maintain internal effectiveness and external adaptability, they need to know what their fundamental values are so they can build a template by which to juxtapose people. Appreciative Inquiry is one technique that can highlight values and help build consensus around what is important to individuals in a firm. AI can help an organization know where it is and where it wants to go, by defining criteria and identifying people who can get them where they need to go.

Appreciative Inquiry highlights the values individuals stand for and allows for rearticulation and reprioritization of those values. In this context, it is a process in pattern enhancement. Values are not simply rearticulated through AI, they are rearticulated more profoundly. Appreciative Inquiry is designed to elicit the ideals of the organization and to give substance to those ideas through a concrete interactive process. It also is designed to make sure people see the connections between their values and the system's.

Beyond this, we found that Appreciative Inquiry builds culture. By tapping both common ground and shared values, AI mobilizes the maximum amount of

commitment and increases members' confidence in what it is doing. It helps individuals clarify what it is they want to do and promote solidarity that represents a key source of rejuvenation as hard work depletes people's energies.

We also found that Appreciative Inquiry permits adaptation to the environment. In a professional organization, where the likelihood is high that new employees will bring with them the latest techniques, expertise, and knowledge necessary for keeping pace with emerging environmental demands, AI is likely to lead to the cementing of values that are indeed adaptive. If recruitment and development is from good schools and brings individuals with good sensors, and the system allows for learning and adaptation, then sharing values will be a growth process for the organization.

On the other hand, in those organizations displaying low recruitment and turnover, AI may prompt inbreeding and reinforce values that are behind the times, and therefore, threatening to organizational survival. Organizational culture may be very satisfactory for its members but not very adaptive to its environment. Consequently, Appreciative Inquiry could reinforce old, outdated systems values, thereby cementing blindness to the environment.

When AI is used as a succession technique, there is always the threat of demotivating persons not identified as fast trackers. There also is the very legitimate question of: *Are those who are identified as leaders of the*

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future really managers or are they heretics? To the extent that the system reflects the ideals of the membership, the organization may be down the path of its greatest ignorance. Other approaches to the succession process that introduced actors who backed the prevailing values may represent better guards or protection against this drawback.

Finally, it's clear that Appreciative Inquiry provides many contributions to collective and collaborative efforts and may be most ideal in those settings. It also appears that Appreciative Inquiry may be better suited to environments where fundamental changes have a low probability of occurrence because as much effort is required to maintain specialized cultures as is required to create them. Who should know that better than the partners of LeadShare, Canada.

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