Appreciative Inquiry in Hospitality Leadership

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Appreciative inquiry (AI) has application to the hospitality industry as a viable organizational methodology capable of improving overall organizational performance. Leaders in the accommodation and food and beverage industries can use the AI process of inquiry and dialogue to bring about change and transformation within their organizations. These changes include a greater degree of open communication, a more supportive work environment, and involvement of all members of the organization in the creation of a shared vision and goals that move the organization toward increased focus on customer perception of service, a greater proportion of a growing market share, and sustained profitable performance. The realization of these goals begins with more effective workforce development that addresses the morale level of employees, decreases rates of employee turnover, and increases the long-term retention of workers.

KEYWORDS Transformational leadership, human resource management, workforce development, employee retention

The appreciative inquiry (AI) process serves as an approach to organizational analysis and learning that can foster significant change within an organization. AI, as both an approach and process, has applicability as an effective organizational development tool for leaders in the hospitality industry. The use of AI builds on the positive core of the organization and

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assists both leaders and rank and file employees in co-creating shared organizational values and opportunities for relational improvement (Cooperrider, Whitney, & Starvos, 2003, p. 4).

OVERVIEW OF APPRECIATIVE INQUIRY

In business today, the typical approach of leaders in their efforts to improve the functioning of an organization is to identify problems and “fix” them. Many organizations operate through a command and control hierarchy that inhibits information flow, stifles communication, and contributes to burnout. The command and control machine bureaucracy relies heavily on problem-solving processes and strict adherence to divisions of labor (Knowles, 2001). Workers in these organizations often struggle with mixed messages and incoherence, breeding cynicism, and retarding productivity.

David Cooperrider (2001), a professor of organizational behavior, proposes that instead of looking for what is wrong or what needs fixing, it is more productive to focus on positive factors of the organization. Rather than studying the impact on the organization of alienation, stress, or conflict, the focus of energies and resources is toward discerning how to increase joy, vitality, and cooperation among members of the system (Ludema, Cooperrider, & Barrett, 2001). Through the application of AI, organizational members can capitalize on the positive characteristics and forces within the system to move the organization toward greater productivity and sustainability.

AI uses the power of inquiry to engage the imagination of system actors and act as a catalyst to influence actions toward improved organizational performance. By focusing through inquiry in the processes of co-construction of organizational knowledge and meaning and co-innovation of a plan for the destiny of the organization, these positive qualities are amplified throughout the entire system, enabling it to become transformed (Mohr & Watkins, 2001).

Six foundational principles underlie the process of AI: (a) constructionist, (b) simultaneity, (c) poetic, (d) anticipatory, (e) positive, and (f) wholeness (Barros & Cooperrider, 2001; Cooperrider & Whitney, 2000). The constructionist principle asserts that organizations are living, human constructions. Knowledge and meaning are constructed based on an interactive process of what is known and how this knowledge becomes fateful (Cooperrider & Whitney, 2000). The principle of simultaneity centers on change and the capability of inquiry and questioning language to stimulate a conscious evolution of a positive future (Cooperrider, 2001, p. 54). The poetic principle underscores the importance of viewing the organization as “a genetically constituted social environment in and through the images born in transaction among all participants” (p. 49). As the stories of the people in the organization change, the organization itself changes. “Past, present and
future are endless sources of learning, inspiration and interpretation" (Ludema et al., 2001). The anticipatory principle asserts that the image of the future guides the current behavior and actions of the system (Cooperrider & Whitney, 2000). Positive images of the future lead to positive actions; negative images lead to negative actions. To achieve these positive images, the positive principle emphasizes the importance of positive questioning. “Problem solving is a null-sum game, directing the focus to what is wrong” (Zemke, 1999). Whereas, questions asked in a positive context lead to longer lasting and more successful change efforts (Cooperrider & Whitney, 2000). Finally, based on the belief that the whole is greater than the sum of its parts, encompassed within the wholeness principle is the idea that the very best of the organization becomes evident when the wholeness of it is deeply felt (Cooperrider & Whitney, 2001). Members of the organization are able to identify, develop, and connect with a referential core of beliefs that empower the human spirit and potential that gives “wings to imaginations [that] helps the system connect with itself” (Barros & Cooperrider, 2001).

Based on the six foundational principles, Cooperrider and Srivastva (1990) developed a process of appreciative inquiry that involves guiding organizational members through a 4-phase journey of activities: discovery, dreaming, designing, and destiny. Creation of this 4-phase cycle is based on the premise that by participating in the process, members' commitment to the organization is deepened and they become more invested in creating change for its future (Liebler, n.d., para. 9). The process begins with the discovery phase in which members work together to identify moments of excellence, core values, and best practices within the organization. During the dreaming phase, members envision positive possibilities. The design phase involves creating the structure, process, and relationships that will support the dream. Finally, during the destiny phase, members of the organization work to implement the plan developed during the design phase (para. 4).

The focal point of the 4-phase cycle is the identification and the use of the “affirmative topic” as a rallying point or central theme that begins the journey for the vision of the future possibilities of the organization based on its internally defined and collaboratively identified positive core competency. The affirmative topic is vital to the inquiry process because it sets the tone of questioning and lays the groundwork for the 4 phases of inquiry to advance toward identification of objectives and realization of organizational goals (Cooperrider, Whitney, & Starvos, 2003). Telling stories allows members of the organization, through a process of discovery “to extract...core values and best practices upon which to build a vision of the future” (Liebler, n.d., para. 18).

Successful identification of an affirmative topic and implementation of the 4-phase cycle of inquiry yields an engaging, ongoing, positive, inner dialogue within the organizational system (Cooperrider et al., 2003). This positive inner dialogue bonds the participants in the movement forward,
celebrating their past successes and unifying their vision of the future while rebuilding their daily activities to be more closely aligned with their mutually discovered possibilities (Mann, 2006).

APPLICATION OF AI IN THE ORGANIZATIONAL SETTING

AI often involves approaches to organizational development that include the use of large group methods, conflict resolution, change management, survey feedback, and team building (Cooperrider, Sorensen, Yaeger, & Whitney, 2001). AI was implemented successfully in large corporations such as General Telephone & Electronics (GTE), Wendy’s International chain of restaurants, and individual hotel business units (Barrett & Cooperrider, 1990; Jones, 1998).

In 1997, GTE embarked upon a large-scale positive change effort using the AI process to bring about systematic cultural change based on AI actions of liberation, positive questioning, discourse-centered change, and the power of focused positive energy (Whitney, Cooperrider, Garrison, & Moore, 2000). The leaders of GTE believed the grassroots focus and experiences brought about through AI had enlightened and sustained organizational development and contributed to significant organizational transformation.

Within the hospitality industry, a field study experiment using AI to address issues surrounding management turnover was conducted at Wendy’s International, a Fortune 500 company. Leaders of 94 business units of Wendy’s International used the process of AI to engage organizational members in roundtable discussions of employee retention. The direction of these discussions was guided by inquiry about the life-giving force of the organization (Jones, 1998). Compared to those restaurants not using AI techniques, retention of entry-level management personnel increased over 30% in those units employing AI as an organizational development tool (Jones, 1998). The increased retention rates resulted in savings of over $100,000 in training costs.

Furthermore, AI was instrumental in the transformation of a 360-room, full-service hotel facility from a one-star to a four-star hotel quality rating (Barrett & Cooperrider, 1990). Organizational leaders used AI principles as a positive intervention technique to assist employees (divided by conflict and defensiveness), renew a collective sense of will to act, and create a new sense of unity and common focus on improving the service delivery and elevation of the overall quality of the hotel experience for customers (p. 154). The AI process implemented centered around both AI training and organizational analysis workshops designed to move the organization from relying on a problem-solving approach to, instead, valuing the best of “what is” and “what will be” to address organizational issues (p. 161).
Challenges Facing the Hospitality Industry

The hospitality industry in America reflects a significant component of the overall economy. Providing accommodation and food and beverage services is a 90 billion-dollar a-year industry that represents nearly 1% of the nation’s gross domestic product (U.S. Department of Labor, 2003). Accounting for 8.1% of the total national workforce, the hospitality industry employs over 5 million full-time and 3 million part-time employees (U.S. Bureau of Labor Statistics, 2003).

Within the industry, hiring and training employees represents a significant investment of income. With employee rates of turnover as high as 50% (Hinkin & Tracey, 2000), the ability to satisfy, recruit, train, and retain workers for the long term are important factors in decreasing operating costs and sustaining profitable performance.

Due to the cyclical economic nature of the hospitality industry, leaders are increasingly focused on operational efficiencies while striving to maintain quality guest services.

A key issue in improving guest services is the ability of leaders in our hospitality industry to retain workers for the long term, providing employers greater opportunities to train their employees and engage them in the process of cocreating the vision and objectives of the business (Sigawu, Simpson, & Kasikci, 2004). Hotel location, quality standards, employee attitudes, and the ability of leaders and workers to deliver service promises are defining factors surveyed guests mention as influencing their selection criteria and loyalty to a particular hotel or food and beverage business (Sigawu, Simpson, & Kasikci, 2004). In my experience as a hospitality leader, most important are the day-to-day interactions of service line employees and guests because these interactions can influence, to a large degree, the positive or negative impressions guests develop about their experiences. I believe a primary objective of any hospitality business is lifting employee morale, which directly translates into customer satisfaction and loyalty and, eventually, increased revenues and greater market share.

A key to employee morale and long-term retention is the ability of leaders to create a supportive work environment for an increasingly diverse population of workers.

With a global economy, the aging population in many of the developed economies means that, increasingly, human assets will be sourced from all over the world. Industry leaders will need to develop new standards of human resource management in order to connect with an increasingly more diverse workforce that reflects a multi-generational, micro-cosmos of religious, nationality, and cultural integration. (Deloitte, 2006, p. 13)
According to Deloitte (2006), "human interaction is often the key differentiator in virtually all aspects of hotel operations" (p. 15). To accommodate a more diverse workforce, workplace policies and leadership approaches need to become flexible in addressing issues related to inclusiveness, recognition, and alignment of the generational values of workers in order to create greater work-life balance (p. 18).

Canina, Enz, and Walsch (2006) argued investment in service employees contributes to higher profitability. In order to sustain profit performance, professional development of managerial talent within the industry is essential to integrating the need for sharper focused employee development on promoting customer satisfaction and loyalty. "The intellectual capital of service employees is little regarded even though they possess work-related knowledge essential to customer service" (p. 8). Additionally, Canina et al. contend there needs to be movement away from viewing and treating employees as income statement expenses and toward actively engaging them as highly regarded knowledgeable workers.

Appreciative Inquiry for the Hospitality Industry

Based on previous research demonstrating the advantages of using AI within various large industries (Jones, 1998; Whitney et al., 2000), the use of AI as an organizational development tool within our industry can stimulate strategic change resulting in higher levels of employee morale, workforce development, long-term retention of employees, and improvement in customers' perception of service.

Associate Morale and Guest Service Perception

An area of concern within the hospitality industry is the high rate of employee turnover and the increased costs to train and develop new personnel. According to Hinkin and Tracey (2000), "employment turnover does more than reduce service quality and damage employee morale—it hits a hotel's pocketbook" (p. 14). Therefore, a critical component of increasing long-term retention of employees is for leaders to create a work environment that contributes to high employee satisfaction and morale.

In the hospitality industry, I have found the vitality of the organization lies in the spirit of its members: a spirit grounded in work satisfaction and morale of line-level associates. Within the accommodation and food services branches of the hospitality industry, high employee satisfaction and morale can result in long-term retention of personnel and opportunities for employee training, development, and growth. Creating a work environment that fosters employees and satisfaction is key to providing marketable customer service experiences that are realized in increased profits (Hinkin & Tracey, 2000).
I believe that open communication and integrated processes are integral to creating a positive work environment that nurtures and supports opportunities for growth and development. While executive-level acceptance of the AI process is an important factor, the line-level and local managers will play an integral role in working through the 4-phase AI process with employees. By engaging and linking the AI process with employees, these second-level leaders will serve as important seed carriers of change within the organization by the opening of communication and dialogue and fostering the creation of informal communities of practice (Webber, 1999).

I tested the effectiveness of the AI process to foster positive changes by conducting a pilot study research project implemented in a chain hotel organization in the hospitality industry (Maier, 2006). I introduced the AI process of questioning and dialogue to a staff of 75 employees at a 350-room, three-star, full-service hotel located in the Pacific Northwest. Using the AI 4-phase cycle (Cooperrider et al., 2003), the discovery and dream phases were introduced during small group sessions composed of both line-level and management personnel. These small group dialogues focused on the “affirmative topic” of guest perception of service.

I led discovery phase group sessions, which participants were able to broaden their understanding and identification of the positive core, exploring guest service best practices, creating a shared vision of organizational processes, and collaborating on those activities that promoted greater participant engagement. Following the process of discovery, myself and members engaged in dreaming about the image they had for the future of the hotel. According to Liebler (n.d.), these images for the future “emerge from a connection to the best of the past that the appreciation interviews have uncovered. [Participants develop] provocative propositions that stretch the realm of the status quo, challenge common assumptions or routines, and suggest real possibilities” (para. 20).

Introducing AI to the members of the subject hotel opened up organizational-wide dialogue on positive performance of guest service delivery and contributed to improvement of employee morale and improved customer perception of service quality. Higher employee morale for participants in the pilot study was demonstrated statistically through workers’ increased feelings of connectedness, job satisfaction, and satisfaction with local management leadership that outpaced averages for both the hotel chain and industry in these areas.

The positive impact of employee morale was demonstrated in improved ratings of customer service by hotel guests from an average satisfaction level of 81% before the implementation to satisfaction levels at or above 90% following the introduction of AI. (Market Metrix Inc., 2006). Most notable were increased customer perceptions of “employee can-do attitude” and “friendliness of staff.” Measurement assessment was conducted through the hotel company standardized third-party customer and employee
satisfaction surveys. The surveys administered were processed via computer data retrieval from standardized questionnaires sent directly to third-party administrators for compilation and statistical report generation (Market Metrix Inc., 2006).

Workforce Development and Employee Retention

I believe the vitality of an organization within the hospitality industry lies within one of the largest groups of associates in the organization: those who are service providers in the accommodation and food services industry. According to Fredrickson (2004), “an individual’s experiences of positive emotions can reverberate through other organizational members and across interpersonal transactions with customers” (p. 163). Collectively engaging line-level associates and managers in the process of AI allows them to identify and nurture positive attributes of the organization that are foundational to opening up inquiry and dialogue (Barrett & Cooperrider, 1990). I believe through this inquiry process, members create a shared vision and develop practical actions that when implemented systemwide can translate into increased employee and customer satisfaction, ultimately increasing market share and profits.

Workforce development and employee retention are key challenges facing the hospitality industry. The frontline manager occupies an important position in the entire hotel operation. Conflicts with leadership style and manager-employee relations among frontline employees contribute significantly to the high rates of turnover (Hinkin & Tracey, 2000, p. 17). Consequently, creative processes become stifled by poor linkage between individuals, divisions of work, or both. According to Anderson et al. (2004), building an appreciative organization depends on the ability of leaders and staff to develop interrelated relationships. The inability to create and sustain these relationships can result in a loss of momentum and atrophy of the creative process. Anderson et al., asserts that

> forging new links enhances creativity within the organization. It is central to the appreciative organization to encourage multiple relationships across broad and distinctive groupings. Every relationship offers the potential for meanings generated at a distance to be integrated with the more local. (p. 12)

The use of AI as a development tool can benefit an organization in retaining employees by facilitating and enhancing the alignment of organizational goals (vision) and the human needs (social actors) within the system. Anderson et al. (2004), proposed that by opening communication through positive storytelling, the change process begins. This inquiry and dialogue process promotes the unification of the divergent interests of social actors
within the organizational system. Divergent interests can result in political infighting and the formation of power alliances. According to Anderson et al.,

fixed flows of communication narrow the vision of those in command. Self-serving attitudes and activities are invited at all levels. Control tightens and listening stops, causing those who are separate from the isolated few to gather in domains within the organization that go unheeded and unnurtured. (p. 9)

The use of positive storytelling encourages "nonfixed" flows of communication within the system that facilitates a broadening of the dialogue among stakeholders and lessens the occurrence of infighting and power struggles.

Leaders at Wendy’s International implemented AI using Project Appreciation Retention Roundtable Groups. Through these roundtable discussions, open communication among managers transformed these individuals into a community of inquiry focused on a common purpose and the goal of improved organizational performance (Jones, 1998).

This type of inquiry community engaged in open communication is useful in driving the organizational process to a more employee-centered approach in which employees seek to identify and nurture what drives positive emotions within the system. Positive emotions can be a powerful agent for organizational change. According to Fredrickson (2003), "individual organizational members’ experiences of positive emotions—like joy, interest, pride, contentment, gratitude, and love can be transformational and fuel upward spirals toward optimal individual and organizational functioning" (p. 165).

Stressed in the AI process is the power of positive images as a guide towards generative action within the operating system. According to Cooperider and Whitney (2000), "positive images of the future lead to positive actions; negative images lead to negative actions. The image exists deep within the internal dialogue of the organization and becomes the referential of the system, determining its essential characteristics" (p. 32).

I feel the use of AI to develop employee-centered programming, enhance the frequency of positive imagery activities, and involve employees in more dialogue in organizational issues can contribute to a more engaged workforce for our industry. A workforce that is engaged contributes positively to organizational development and stays longer in the organization, resulting in a reduction of turnover.

**BARRIERS TO EFFECTIVE IMPLEMENTATION OF AI**

Many organizations are not fully aware of their own potential. By preceding the visioning process with an inquiry aimed at discovering moments of excellence, the stage is set to allow richer and more provocative possibilities to
emerge (Liebler, n.d., para. 13). However, the introduction of new ways of doing business is met often with resistance to change. First, cultural change and unraveling a machine bureaucracy in favor of a more open system process could prove to be more difficult than expected and inhibit the ability of hospitality industry leaders to engage employees in the change process. Webber (1999) stated that “the institutional failure of corporate change efforts may be linked to the rigid hierarchy incapable of transformation towards a community of practice” (p. 5). Second, economic constraints constantly pressuring hospitality industry leaders to increase productivity and minimize operating costs may constrain the effective implementation of an AI approach to organizational transformation. Finally, the inability of actors within the hotel units to understand the meaning for the change and to form the necessary connections that provide a sense of relevance or value of the desired outcomes advocated or proposed limits to the change effort (Webber, 1999).

CONCLUSION

Challenges face the hospitality industry in improving customers’ perception of service center on employee morale, workforce development, and employee retention. With high employee turnover rates, the ability to recruit and train line-service personnel while improving guests’ perception of service are important factors in increasing revenues, growing market share, and sustaining profitable performance. I believe AI offers a new way of dealing with organizational development by nurturing positive employee-centered dialogue over deficit-based thinking and problem-solving processes.

Effective leadership in the organizational setting is evident when those in the system are able to open up legitimate conversation, releasing creativity and energy (Knowles, 2002). The AI process can serve as a catalyst toward fostering open communication and movement of the organizational system toward its fullest potential. The introduction of organizational change or transformation processes in small increments, possibly through pilot programs, may afford those in the system the opportunity to identify various actors within the system, to develop the desired objectives, and to experiment with the necessary processes that will ultimately result in the change efforts essential to successful transformation within the organization.

AI research thus far has demonstrated the successful introduction and implementation of AI methods in organizational settings, both in and out of the hospitality industry (Barrett & Cooperrider, 1990; Jones, 1998; Maier, 2006; Whitney et al., 2000). Successful transformation at GTE created a positive change network, transformed the organizational culture through heightened storytelling, created a willingness to engage in new forms of cooperation, and fostered a commitment to the implementation or adoption of AI as an organizational-wide, integrative change process (Whitney et al., 2000).
For leaders at Wendy's International, the use of AI resulted in higher retention rates of entry-level, salaried management personnel, which translated into decreased expenditures for training due to a reduction in employee turnover (Jones, 1998).

Finally, the introduction of AI within the hotel industry, in two separate environments, indicated a favorable impact on improved employee satisfaction and customers' perception of service. It also served as an intervention technique capable of uniting divergent work-groups toward a common organizational vision to raise the quality level of the hotel service product from a one-star to a three-star rated hotel (Barrett & Cooperrider, 1990; Maier, 2006).

Therefore, I recommend the introduction and implementation of AI among a select group of organizations in the hospitality industry that exhibit the willingness and potential to be "change agents" as a first step to the introduction of AI industry-wide. The emphasis on local, line-level change agents is consistent with Webber (1999) and his stated view that "significant, sustainable change occurs when you find people at the heart of the value-generating process—who design, produce, and sell products and who talk to customers" (p. 5). Ultimately, the effectiveness of AI as a method of fostering organizational change and transformation in the hospitality industry should be assessed using a sample of multiple hotel units across different locations to determine if employee satisfaction, customer satisfaction and loyalty, and workforce development and retention are measurably improved.

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