Next Step Of Corporate Governance: Appreciative Inquiry In Corporate Governance

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Abstract

It was seen in the last decade that traditional management system and models cannot meet the needs of today. Crisis and scandals have proved the need for a more transparent and participatory structure. Governance met this need for a certain period of time and presented a more useful model. However through the end of 2000s negative effects of modern structures were seen; such as being quantitative and unnecessarily rational which make participants fear of doing wrong. In this case postmodern approaches came into agenda. One of them is

appreciative inquiry approach based on realized successes and collective decisions. In this study, hybridization model is proposed for the concept of Governance, which has got some problems to harmonize with today's conditions, with appreciative inquiry as a supportive updating. On this context "Appreciative Governance" concept is put forward as a theory.

Keywords: Governance, Appreciative Inquiry, Appreciative Management Approaches, Appreciative Governance

1. INTRODUCTION

Governance is a structure or order composed of results of common efforts of all related actors in a social-political system. Application has been sufficient for a long period to bandage wounds of the market. However organizations are living and developing systems and they change like human beings. Some lacking and limits of governance concept were seen by time, as the need for human beings and humanistic values for an organization to be successful has been understood in the recent years and the vitality of these values has been perceived. Therefore the understanding of "employee and organization are together a systematical machine", which was created with traditional management understanding, is leaving its place to postmodern approaches. Now it will be appropriate today's complex markets' organizations to evaluate the most satisfying choices instead of rational and empiric choices collectively. At this point humanistic opinions and emotions gain importance. Numerical expression of empirical approaches cannot reflect real emotions of employees completely. Employees have emotions and dreams. They can shape their lives and the future of organization.

This change and necessity in frame of mind affected problem solving methods, too. Appreciative inquiry was developed, by being away from traditional approach, to find a more motivating process and to take decisions by adding health and strong values in this process. Appreciative inquiry is one of many appreciative management approaches and it becomes prominent with its reformative approach for employees' expectations and institutional change.

Founders of the approach, David Cooperrider and Suresh Srivastva (1987), define appreciative inquiry, this very new approach, as "a collective action and information research theory assisting development of normative vision, and developing group, organization and society's demands as a whole". Researchers like Gervase Bushe, Diana Whitney and Amanda Trosten-Bloom have grounded and developed the thought since 1987, when the thought came into being. It began spreading in Turkey too, development and consultancy firms began to use it but it could not find its deserved place among academic environments.

In this study, Appreciative Inquiry Approach and governance concept are examined, and their theoretical basis and structure are explained. Advantages of governance, which is founded with Appreciative Inquiry Approach, over classical approaches, and benefits of using logic and emotions together on problem solving and transformation process are evaluated.

2. Governance Concept and Its Theoretical Basis

The concept of governance was first seeded in North Europe. Governance, which was seen as reconciling government with civil society or combining them in 17th Century France (Yüksel,2000), lived its developing process in Britain; governance was born as a challenge to Westminster model in the British model (Adıgüzel et al., 2011). Stoker (1998) explained Westminster model in his study as "Parliament superiority, powerful cabinet government system and responsibility provided with selections are key elements. Dominating element is management of unitary state on the context of ministry's responsibility". It is seen that the term began maturating and systemizing at the end of 70s. Its development increased with democracy waves in Latin America in 1980 and by spreading of this wave to Africa in 1990s (Özer, 2006). The concept was first used in today's meaning in a report of the World Bank which was published in 1989 as "good governance". An open definition of governance was not given in the report but the term was used by OECD and United Nations too, and it became an open formula in various meeting and publications of these tree organizations (Akçagündüz, 2010). When development process of governance is examined it is seen that certain developments made governance necessary. Toksöz (2008) summarized these developments as follows;

> ➢ Globalization – localization
> ➢ Changes in political participation process
> ➢ New middle classes and new social movements
> ➢ Transformation from citizen to sharer

It is difficult to make a certain definition of governance concept. However, when definitions of governance are examined, it will be possible to give a basic frame of the concept as follows (Stoker.1998; Yüksel,2000; Adıgüzel et al., 2011);

- Governance takes its basis from governing but also takes attention to a group of actors and organization
- Emphasizes frame and responsibilities of applications on solution of social and economic problems.
- Explains power dependency between organizations participating common works.
- A concept of self governing, autonomous relationship networks.
- Defends it is possible to do some works without authority of government.

2.1. Principles of Governance

Certain principles are seen when literature in Turkey and international scale are examined. Content of governance was added and expanded by the time. Said principles are below (Adıgüzel et al., 2011).

Table 1: Principles of Governance

	PRINCIPLES	CONTENT	TRANSMITTER/COMPILER
1.	**Transparency**	Transparency in management can be possible by providing free information flow. It can be possible by accessibility of methods, institutions and information to people needing them (Ministry of Finance, 2003:8). There are two dimensions of transparency in literature. These are: ➢ Accessible, concrete and understandable information about current condition and events (Dinç and Abdioğlu, 2009) ➢ Realization of decision making processes of public authorities with the participation of other sharers in an open way (Toksöz,2008:18)	
2.	**Accountability**	Decision makers in public organizations, private sector and non-governmental organizations should give accounts to the general public and institutional partners (Ministry of Finance, 2003). Public authorities will be responsible on usage, budgeting and reporting issues of public sources, and give accounts when it is necessary (Toksöz,2008).	
3.	**Participation**	All citizens can join decision making process directly or by representation of intermediary institutions (Özer,2006)	
4.	**Superiority of Law**	Superiority of law, which is one of the basic principles of governance, means institution's behaving in legal frames and acceptance of individuals that laws can be applied to their behaviors (Karabacak,2003)	
5.	**Efficiency**	This is an important principle which proposes that all actors of governance concept act in cooperation (Soylu,2003). Kesim and Petek (2005) defined action as "doing right things and activity in the process of realizing right things".	Şaylan(1998)

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6.	**Responsiveness**	With this principle, individuals who become aware of carried out activities can act with acquired information and comprehend how to behave towards future (Acar,2003).	
7.	**Equality**	Not doing favoring applications for any person in decisions of organization, having clear and neat rules for workers, and their application to everybody equally creates an emotion of reliability (Toksöz, 2008).	
8.	**Strategic Vision**	Strategic visions will be clear and continuous. Vision should be determined by employees and managers; targets of this vision should be approachable and employees should believe this vision (Özer,2006).	Özer (2006)
9.	**Locality**	A principle which proposes direct participation of local people and their taking place in management instead of a strong central management (Acı,2005).	Toksöz (2008)

2.2. What to Do in order to reach Purposes of Governance Process

It is necessary to take care of certain rules and follow some road maps in order to reach purposes of governance on institutional basis. Some of them are (Bumko,2006);

- Determination of effective institutional strategies and planning of mechanisms to reach these strategies
- Determination and management of risks which can prevent realization of this strategy and planned performance
- Measurement and follow up of performance
- Creation of institutional values and ethics for realization of strategy and performance – Making arrangements from the top rank
- Providing that institution takes on activities which will support realization of institutional plan targets
- Making sure that managements is educated well, its performance is evaluated well and they receive a satisfactory salary on context of a success plan
- Informing partners about incidents – communication & sharing
- Appropriate organization structure especially at higher ranks to reach demanded results.

3. Appreciative Inquiry Concept and its Theoretical Basis

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The idea for appreciative inquiry approach was first seen in doctorate study of David Cooperrider in 1980 and he first presented the developing approach to the academic world in 1984 (Watkins and Mohr,2001). Appreciative inquiry met with professional environment in 1987 with Srivastva's study named "Appreciative inquiry in organizational life" (Demir et al., 2010). When we consider definitions of Appreciative Inquiry Approach it is defined as "common search to find the best for human beings, organizations and the world surrounding them" by the founders Cooperrider and Srivastva (1987). Hammond (1998:6) states in his study that "it focuses on working status of organization. Inquiry process determines acceleration moments of organization concretely and defines the point where organization wants to be at. As current situations are based on real experience and events, by this way people know how to repeat their successes." White (1996) defines appreciative inquiry as follows: "Appreciative Inquiry concentrates on positive conditions in our life and focuses on solving the negative ones. It is the opposite of problem solving method" (Adıgüzel and Öztürk, 2011). Shaping the future is based on the reality experienced past (Demir et al., 2010). Table 2 shows traditional approach and Appreciative Inquiry approach's points of view (Yurdakul, 2010).

Table 2: Differences between Traditional Approach and Appreciative Inquiry Approach's Points of View

Traditional Approach	Appreciative Inquiry Approach
Focuses on lacking and problems	Focuses on excesses and potential
Heads for determination of problem and needs.	Defines the period with the best performance.
Examines causes.	Examines successes.
Aims to solve problems.	Tries to find the best characteristics to emphasize.
Plans things to be done.	Shapes its destiny. Imagines ideal state.
Basic assumption: Our work is to overcome problems	Basic assumption: Our work is to take out our potential and reach our best performance

Source: Yurdakul, S., (2009) "Olumlu Sorgulama (AI): Teorik temelleri; pratikte uygulanması" www.ikedaconsulting.com, date of access: 08.04.2012

3.1. Principles of Appreciative Inquiry

There have been transformations in appreciative inquiry approach in time, as in all system proposals, in order to work more efficiently. On this context 5 more principles were added after the first 5 principles of Cooperrider and Whitney (1999. Said principles compiled by Demir and friends (2010) as below.

Table 3: Principles of Appreciative Inquiry

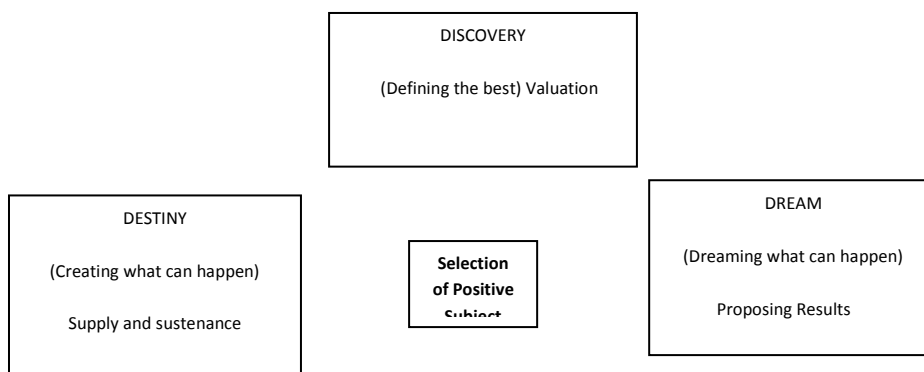**Table 3: Principles of Appreciative Inquiry**

	PRINCIPLE	CONTENT	DEFINER
1.	The Constructionist Principle	• Reality and Identity are Co-created. • Truth is Local. There is no absolute truth. • We Are Deeply Interconnected as people. • Words Create Worlds. Reality is constructed through language. • We perceive our environment with our point of view.	
2.	The Simultaneity Principle	• We Live in the World Our Questions Create. • Change Begins the Moment We Question. • The Unconditional Positive Question is transformational. • Develop Your Sense of Wonder.	
3.	The Poetic Principle	• Life experience is very rich. • Human beings are born with the emotion of searching. • Whatever We Focus On, Grows • We should be able to appreciate. • Find What We Want More of, Not Less of	
4.	The Anticipatory Principle	• Positive Images Create Positive Futures • Vision is Fateful • Create Vision Before Decisions • What We Believe, We Conceive • Big Change Begins Small	
5.	The Positive Principle	• Positive Emotions Broaden Thinking and Build. • Identify and Leverage Strengths and factors that support them.	Cooperrider and Whitney (1999)
6.	The Wholeness Principle	• Wholeness Provides More Expansive Thinking Than Reductionism • Learn to Be Present to the Emerging Whole.	
7.	The Enactment Principle	• Embody What You Want • Just Try Something	
8.	The Free Choice Principle	• Freedom from Internal and External Forces is one type of freedom • The Freedom of Inner Clarity allows us to pursue life freely	

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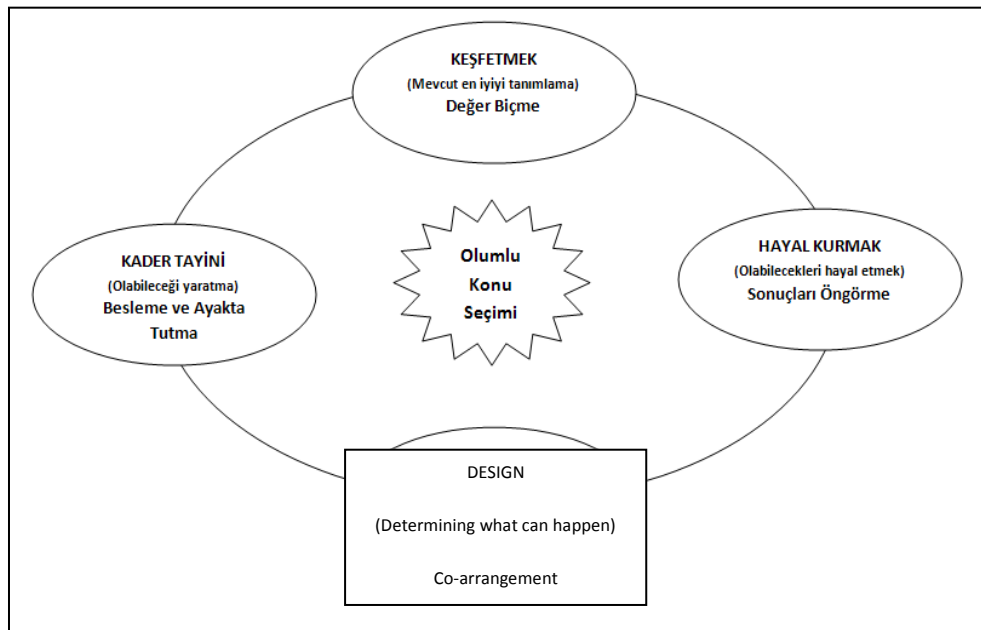|			
			Whitney and Trosten-Bloom (2003)
9.	The Narrative Principle	• We Construct Stories About Our Lives • Stories are Transformative	Barrett and Fry (2005)
10.	The Awareness Principle	• understanding and integrating the AI principles • Surfacing assumptions is important in good relationships • Practice cycles of action and reflection	Stavros and Torres (2005)

3.2. Appreciative Inquiry Process and its Positive-Negative Aspects

The process of appreciative inquiry approach is called 4-D cycle which is composed of: Discovery, Design, Dream and Destiny (Whitney and Trosten-Bloom, 2003). Appreciative Inquiry was applied in organizations and arrangements with success. It was applied in a variety of groups like small societies in Nepal and other developing societies and big and complex companies in the USA. Application areas are customer queries, new employee orientation, projects, strategy formulation and vision creating (Pradhan,2000). Figure 1 shows 4-D model of Appreciative Inquiry (Demir et al.,2010;).

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DISCOVERY

(Defining the best) Valuation

DESTINY

(Creating what can happen)

Supply and sustenance

Selection of Positive Subject

DREAM

(Dreaming what can happen)

Proposing Results

Figure 1: 4-D MODEL of Appreciative Inquiry

Source: Adapted from the studies of Whitney and Trosten-Bloom, 2003.

- Positive Subject Selection: There is title/subject selection at the basis of model. Each Appreciative Inquiry is an important part of model. It is the answer of the first question to be asked in the creation process of organizational destiny. It forms the core of change movement (Whitney and Trosten-Bloom, 2003; Cooperrider and Srivastva ,1987).

- Discovery: In this phase successful results which make us happy are discovered; attendees discover their successful and perfect periods in their past at the end of detailed interviews (Yurdakul, 2009).

- Dream: Dream phase is composed of dreaming to create a result oriented vision of future. Attendee groups discuss their individual visions for ideal organization and what will happen in the next few years. And total vision of group is developed beginning with these discussions (Staron, 2007).

- Design: New structure and processes are designed in this phase where short and long term targets are determined (Yurdakul, 2009).

- Destiny: Developing a positive point of view makes it possible to give hope to all system around a purpose and accelerate the system. Learning and harmony process is created in improvisation just like a jazz band (Barrett, 1995).

There will be lacking and weaknesses of each model in application. Post-moderns systems open to development accept them as feedbacks on renewing themselves. There are weaknesses and strengths of Appreciative Inquiry applied with 4-D model, too. Nauheimer (2009 cited by Demir et al.., 2010) states them in his study as follows;

Strengths:

- The 4D-model works with what exists already in organizations.
- People can easily relate to their past success stories and link them to what they want for the future.
- It is highly participatory and inclusive and respects different views and values.
- The results of a 4D process are directly action oriented.
- It creates energy and enhances motivation of people involved.

Weaknesses:

- The model is more related to the past and present than to the future.
- It does not include a wake-up call. Problems and challenges, although not denied, do not receive the same attention than visions.
- Model requires a highly skilled facilitator to make sure that the output of the process satisfies the expectations of the process owner.

At this point it s important to analyze weaknesses and strengths of two approaches and creating a hybrid model in order to be more effective.

4. HYBRIDIZATION AND STRENGTHENING OF GOVERNANCE WITH APPRECIATIVE INQUIRY

It is proposed that Appreciative Inquiry will give flexibility and partner based participation spirit to governance. For example instead of saying "we should be transparent", a meaningful road map and strategy to be transparent is presented. Table 4 compares principles and gives an Appreciative Inquiry model proposal in application process.

Table 4: Appreciative Governance Model Proposal

PRINCIPLES OF GOVERNANCE	PRINCIPLES OF APPRECIATIVE INQUIRY	APPRECIATIVE GOVERNANCE MODEL
Transparency	Enactment	
Accountability	Awareness	
Participation	Commenting Being Positive Wholeness Narration	
Superiority of Law	Enactment	
Effectiveness	Commenting Wholeness Awareness	
Responsibility	Awareness	
Fairness	Enactment	
Strategic Vision	Anticipatory P.	
Legitimacy	Simultaneity Being Poetic Free Choice	

The core value of governance is "participation" idea. The main purpose is to create a transparent and collective structure involving partners. The target is exciting with its content. However strategies to follow on the road to reach targets are also important. Appreciative inquiry process and principles will involve employees without realizing. Employees will become a part of organization and decisions without feeling any compulsion. Because of the belief that they can manage, targets shaped on previous successes and strategies coming out of their own experience and memories will be understood and responded by them more easily. With a simpler expression it is very easy to correspond processes as understood from Table 4 and go forward on a similar line. Appreciative Inquiry concept can be put forward by maturing and hybridizing principles to support each other.

5. CONCLUSION

Governance is which stability realized with respect to each other to some extent in providing stakeholders with an independent approach is used for a long time. In this process, the hierarchy is the only way top-level decisions, rather than managed mutual among themselves for a wide range of autonomous governance, compliance and coordination between

stakeholders is provided. Seen as an interactive process perspective of governance to manage. Because no single stakeholder capacity and knowledge are not enough resources to solve problems. The common goal is to find the best for the organization of stakeholders in the process of governance. Jointly for the best possible approach to querying a positive finding. For that reason govarnance should hybridize with Appreciative Inquiry. " Appreciative Governance" called for the hybridization with the stakeholders, the better the organization will reach a different perspective.

Appreciative Governance Model, the complexity is quite remote, easy to apply, and understandable interbreeding. Proposal for starting to show deterioration trend of the head against the negative entropy of governance. All employees and stakeholders, the vision, objectives and strategies by incorporatinginto the pull to create a common vision of a well-known. Hybridization of governance's, disciplinary rules of the modernist framework and appreciative inquiry's participatory, easier to see and accept the creative collective, post-modern structure may be the solution to the needs of contemporary organizations. In future studies, the results of testing and evaluation of the applicability of this theory is recommended.

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