

Appreciative Intelligence for Innovation in Indian Industry¹

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Abstract

Based upon the author's original research and recent discoveries in psychology and cognitive neuroscience, this article explores the promise of Appreciative Intelligence for Indian businesses and public sector agencies. Through an understanding of Appreciative Intelligence, corporate and public sector leaders can enhance their own levels of Appreciative Intelligence and potentially use it for the benefit of their organizations.

Introduction

When the Delhi Metro Rail Corporation (DMRC) was formed in 1995 most people in Delhi thought that its goal of providing rail-based public transit would never come to fruition. Most of the tracks would have to be built underground which meant digging along the already congested streets of the chaotic metropolis. Above all, where will the money for such a massive project come from?, asked well-meaning politicians and seasoned bureaucrats. A few years later, New Delhi would boast of a world-class underground transit system known as Delhi Metro. Every day, for 16 hours a day, the roughly 300 cars of the Delhi Metro carry about 600,000 commuters beneath the urban sprawl of this famous capital city of India. The initial phase of the \$2.3 billion project

¹ Thatchenkery, Tojo. (2009). Appreciative Intelligence for innovation in the Indian industry. *Paradigm*. 13, 1, 1-5.

was completed in December, 2005, on budget and nearly three years ahead of schedule (Lakshman, 2007). Pollution levels in Delhi have come down by 30% and the Delhi Transport Corporation did not have to add to its pollution spewing fleet of 7,500 buses.

In a country where government spending on transportation infrastructure is often riddled with dysfunction and corruption, Delhi Metro looks like a miracle. Unlike most public transit systems in India, people of Delhi take good care of the Metro's facilities, keeping them clean as if they own the system. The Delhi Metro stands out as an unusual accomplishment in many ways and has been featured as a model of innovation in several publications and news media.

Most of the credit for the success of this exceptional public sector undertaking goes to Elattuvalapil Sreedharan, the Managing Director of Delhi Metro Rail Corporation. A *Business Week* (Lakshman, 2007) cover story two years ago featured this "unusual bureaucrat" and "the miracle-worker of the Delhi Metro." He has been hailed as a brilliant and innovative leader who could think outside the box, reframe challenging situations into opportunities, and bring his vision to perfect execution. In short, Sreedharan possesses a high level of *Appreciative Intelligence*.

Appreciative Intelligence is the ability to perceive the positive potential in a given situation and to act purposively to transform the potential to outcomes. In other words, it is the ability to reframe a given situation to recognize the positive possibilities embedded in it but is not apparent to the untrained eye, and to engage in the necessary actions so

that the desired outcomes may unfold from the generative aspects of the current situation (www.appreciativeintelligence.com; Thatchenkery & Metzker, 2006).

A term coined by this author and the title of a book chosen by *Harvard Business Review* for its 2006 Reading List, Appreciative Intelligence holds significant promise for leaders of Indian businesses and public sector. Appreciative Intelligence is also directly linked to innovation in organizations and industry. By understanding and internalizing the various components and qualities of Appreciative Intelligence, leaders of Indian businesses, public sector, and government can positively contribute to the creation of more innovative organizations. Ultimately, Appreciative Intelligence is tied to the competitive advantage (Porter, 1998) of nations.

The new concept of Appreciative Intelligence

Howard Gardner (1983) is well known for his theory of multiple intelligence – that intelligence is not just one ability but several. He initially came up with seven types of intelligences-namely linguistic, bodily-kinesthetic, spatial, musical, logical-mathematical, intrapersonal and interpersonal and added an eighth one later (naturalist intelligence).

What most of us consider as intelligence or IQ is what Gardner calls the logical-mathematical intelligence, which is the capacity to understand and use logical structures, patterns, and relationships through experimentation and conceptualization. Gardner's intrapersonal and interpersonal intelligence were later popularized as emotional intelligence (Goleman, 1994; Salovey & Mayer, 1990). Appreciative intelligence should be seen as yet another addition to this model of multiple intelligences.

The roots of appreciative intelligence lie in entrepreneurship. Thatchenkery coined the term Appreciative Intelligence in 1996 after studying the phenomenal growth of entrepreneurship in the Silicon Valley in California, U.S.A. since the late 1980s. Talents of all sorts congregated around a small region in Northern California during that period. Entrepreneurs, venture capitalists, academics, researchers, and immigrants (primarily from Asia) took significant risks that led to the rise of the internet and the networked world that we are part of today. Thatchenkery hypothesized that Appreciative Intelligence is the individual ability that partly contributed to the success of the Silicon Valley (Thatchenkery & Metzker, 2006).

University of California professor AnnaLee Saxenian pointed out that by 1990 one-third of the population of engineers in the Silicon Valley was foreign born, primarily from China, Taiwan, and India. According to her, Chinese and Indians run 13 percent of Silicon Valley companies between 1980 and 1984, and 29 percent between 1995 and 1998. What was unique about the area that helped attract such an unusually large number of immigrants?

Thatchenkery's research about Indian American entrepreneurs in early 1990s suggested that the various ethnic groups felt valued and the freedom to experiment in Silicon Valley in a way they could not in other countries. The venture capitalists who invested in them were asking the question "how can I make this work" as opposed to "what are the chances this idea will fail? An environment of opportunity recognition, persistence, resilience, and anticipation of positive outcomes existed in the region that defined the area as a fertile ground for entrepreneurship. Thatchenkery's research has

shown that the Silicon Valley entrepreneurs thought differently by intentionally reframing market signs as opportunities.

If appreciative intelligence-based entrepreneurship helped create Silicon Valley, can it produce a comparable new fertile soil for entrepreneurship in India, both for corporate and public sector? This author believes that it can.

Components of Appreciative Intelligence

Appreciative intelligence has three components: *reframing*, *appreciating the positive*, and *seeing how the future unfolds from the present*. Let us begin with reframing. Framing is the basic psychological process in perception where a person constructs or interprets a context, issue, or scenario in a certain way. In the Chinese language, the word “crisis” can be framed in two ways: Problem or opportunity. Cognitive psychologists have shown that we are capable of reframing almost any aspect of our lives if we know how. As Burger and Luckman (1966)’s classic work *The Social Construction of Reality* suggested, what we experience as real is embedded in pre-existing language practices and social conventions.

What was the framing available before the arrival of Sreedharan regarding the prospect of setting up a rail-based public transit in Delhi? It was mostly one based on past experiences. Most public work projects in India last much longer than anticipated and grow over-budget. The Delhi Municipal Corporation was notorious for digging the roads for repairs or new construction and not finishing for months. It is widely believed that government engineers supervising the projects are bribed by the contractors in return for

overlooking shoddy workmanship. Above all, there property rights challenges, massive crowding, and illegal encroachment on public land making it politically difficult to displace people to make room for laying the tracks.

What was the reframing that Sreedharan might have used? He looked at the same gloomy scenario but reframed it to see possibilities and opportunities. He saw a capital city where thousands will commute, mostly underground, significantly reducing air pollution and congestion. He believed that given the right framing, people of Delhi will make the necessary sacrifices to let the construction go on smoothly and safely. He reframed and believed that people are inherently good and will take care of the new transit system.

Such reframing does not begin easily. A leader will have to be highly intentional and proactively look for reframing possibilities and may even have a hard time finding one initially. But with persistence and irrepressible resilience – qualities of Appreciative Intelligence, a leader becomes better at it. Eventually, reframing may become second nature to change managers such as Sreedharan. For example, in the 1990s, Sreedharan built the 470-mile Konkan Railway, another engineering accomplishment and the first major railway project since the British left India in 1947. Yet another example was how he built an information technology park outside Delhi. Though the official permissions were slow in coming, Sreedharan believed they would eventually happen and went ahead with his plans. The IT Park is now a thriving hub of entrepreneurship and houses several well-known Indian and foreign companies.

Appreciating the positive is the second component in enhancing Appreciative Intelligence and developing leadership. This may sound counter-intuitive because we are accustomed to think of executives as having a highly developed ability to anticipate what could go wrong instead of what might go right. Anticipating what might go wrong is certainly a necessary step in good executive decision making. It is similar to the stethoscope of a physician who instinctively reaches for it when seeing a patient. Yet, what makes someone a good physician is not only doing accurate diagnosis but the capacity for articulating the right prognosis. A good physician should have the competence to identify the right treatment schedule and start the healing process. In the same manner, good managers need to anticipate how various constraints may negatively impact their plans. Yet, in the end, good leaders will have to sort out what might go right and invest their energy in that direction. Sreedharan was able to do this to a great extent. He had an ability to recognize positive possibilities in everyday organizational situations, including routine procedures.

Appreciating the positives must become a habit if it is to have lasting impact. Just as in reframing, recognizing and appreciating the positives need persistence and resilience. It is a process of discovery akin to the scientific experiment. It is easy to miss the positive results if one is not observing keenly. Due to the “learned helplessness” outcome (Seligman, 1991) generated by past experiences, many leaders may not notice the positive possibilities already embedded in many challenging scenario. A leader will have to observe with an open mind and truly believe that there is a positive side to most challenges in organizations. In the end, exceptional leaders such as Sreedharan who have

high appreciative intelligence reframe existing arguments, and discovers positive possibilities that were not initially visible.

The third component of Appreciative Intelligence, seeing how the future unfolds from the present, is the critical last step for generating successful outcomes. It is not enough for leaders to reframe or recognize positive possibilities. They must know what to do in the current moment. The future possibility must be realized in the current reality through purposive action. A leader with high Appreciative Intelligence usually breaks down her actions into a series of workable, time-sensitive small steps. For example, Sreedharan not only thought through the engineering actions, but also the social and cultural aspects. Recognizing that a significant number of workers at the Delhi Metro would be migrant laborers from poor neighboring states and may be exposed to HIV and AIDS, he insisted on creating a HIV awareness program. The program covered 3000 workers and contributed to the overall effectiveness of the project (World Bank Report, 2006).

In other words, Sreedharan was not just reframing and seeing the positives, but was also engaged in a purposive act of making the desired future come true by living it in the present. He saw how the future unfolded from the current reality and was not just a dreamer but a doer.

As in the first two components of Appreciative Intelligence, this third one too requires persistence, practice, resilience, and a firm belief that his actions would eventually matter. Sreedharan brought down the average duration of major tenders of Delhi Metro to nineteen days whereas for similar projects the time-line was three to nine

months in rest of country. It took 22 years to build the Kolkata (one of India's largest cities) Metro because of mismanagement and lack of funds. Sreedharan was realistic and went to the Japan Bank of International Cooperation for loans to cover 60% of the cost. He got the various Indian government agencies to work together. Initially there was a disagreement between the Delhi Metro and its partner Indian Railways about the type of tracks to use (single versus double gauge). But thanks to Sreedharan's ability to bring the future to the present, he helped the contractors to come up with a plan to assemble the metro carriages in Bangalore and roll them on Indian Railways track straight to the New Delhi metro. Certainly his technical knowledge of having built the Konkan Railway helped. He could break down the future outcome to a series of management activities and work backwards temporarily to determine what needed to happen in the present.

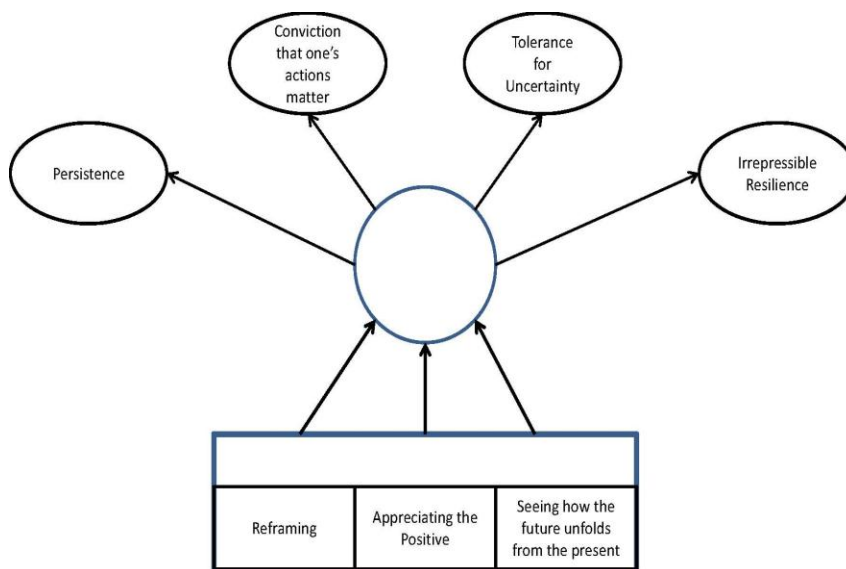


Figure 1: The Components and Qualities of Appreciative Intelligence (Source: Thatchenkery & Metzker, 2006)

Four Qualities of Appreciative Intelligence

In addition to the three components discussed earlier, Appreciative intelligence leads to four qualities in individuals:

- Persistence
- Conviction that one's actions matter
- Tolerance for uncertainty, and
- Irrepressible resilience - the ability to bounce back from a difficult situation.

Persistence or perseverance is the ability to stick with a project or problem to its fruitful completion and is influenced by self-esteem. Overall, people with high self-esteem have a greater tendency to persist in the face of failure and challenges. They are also more likely to see the presence of alternatives toward their underlying goal, even when faced with failure. Because people with Appreciative Intelligence envision a clear outcome, they hold a strong conviction that their actions matter. Sreedharan believed that his actions mattered. He accepted the offer to create Delhi Metro because he wanted to make a difference. Private sector companies and city governments overseas were keen to hire Sreedharan which would have been financially lucrative for him, but he believed that what he would create in Delhi would matter for generations to come.

The highly creative ideas and actions that High Appreciative Intelligence individuals routinely pursue understandably create uncertainty or ambiguity. Analysis of

Appreciative Intelligence in leaders and innovators revealed evidence of high tolerance for uncertainty, ambiguity and cognitive dissonance — the psychological term that refers to the discomfort people feel when new ideas or experiences seem to contradict what they already know or believe. Beyond tolerating their own uncertainty, they helped other people deal with uncertainty, often by reframing situations to help them see what was positive, how the future could unfold from the present and by encouraging persistence until what was unknown became known.

People with Appreciative Intelligence exhibit irrepressible resilience as a result of reframing, seeing what is positive in the situation, and understanding that a better future can come about despite a crisis or setback. Further than simply surviving, they bounce back higher from challenges than the position from which they began- the way the Sreedharan did in many occasions. In fact, the Delhi Metro would be classic case study for testing resilience because the project faced challenges and skepticism from the beginning.

As leaders and innovators reframe, appreciate the positive and see the future unfolding from the present, leadership practices emerge that build Appreciative Intelligence throughout the organization. Leaders such as Sreedharan have demonstrated successful practices for others to model. They have used language that reframes reality in a positive and generative way. They have set high expectations for themselves, others, and the organization. They have designed practices and processes to build a continuous cycle of innovation, as had been evident from the remarkable success of Delhi Metro.

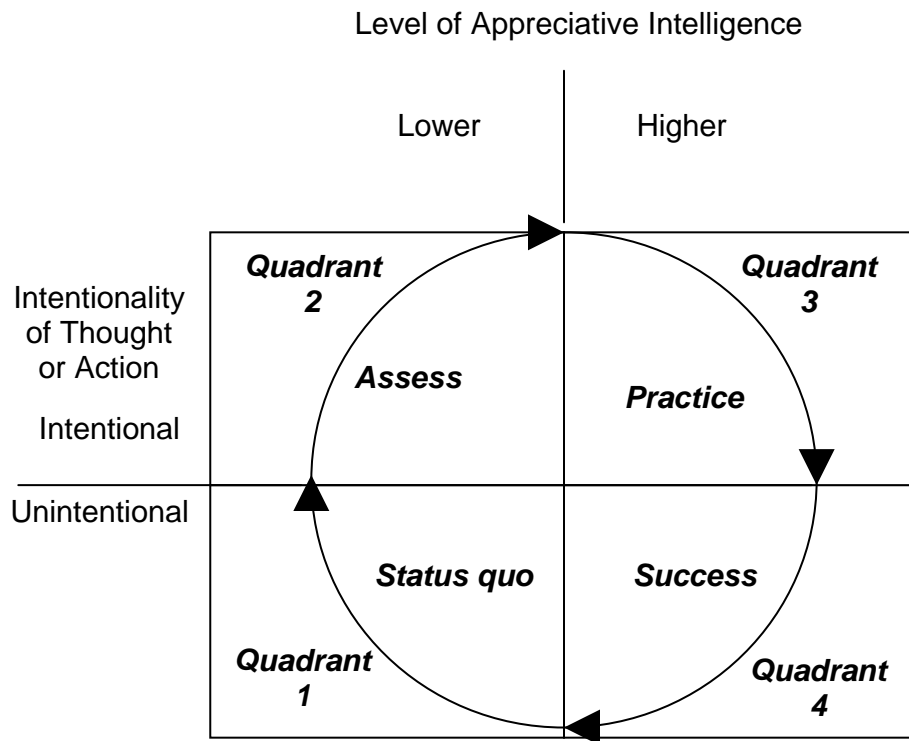


Figure 2: A Model of Appreciative Intelligence Development (Source: Thatchenkery & Metzker, 2006).

By helping individuals in an organization proceed through four stages, leaders can help employees enhance their appreciative intelligence and its ensuing qualities.

Thatchenkery and Metzker (2006) have proposed using an appreciative approach, a conscious unconscious model adapted to find possibilities and that which is positive, and to build on the abilities that already exist. In Figure 2 above, in the lower left quadrant 1 of unintentional lower appreciation, a person unconsciously or unintentionally frames reality in a positive light to see the inherent potential only occasionally or in limited domains (at home, work or with friends or under other specific conditions).

Unconsciously, he may exhibit qualities accompanying Appreciative Intelligence – persistence, conviction that his actions matter, tolerance for uncertainty or irrepressible resilience. Or he may exhibit all qualities, but to a minimal extent.

Once a person has become aware of the presence of Appreciative Intelligence, she has entered the second quadrant. In this stage, she determines under what conditions she reframes the present for a great view of the future, when or where she see oaks in acorns and to what extent or how many ensuing qualities she already exhibits. (The book, *Appreciative Intelligence: Seeing the Mighty Oak in the Acorn*, provides a personal profile to assess an individual’s Appreciative Intelligence.). In the third quadrant of intentional higher appreciation, the individual deliberately practices reframing, appreciating the positive, exploring how the future could unfold from the present and the behaviors associated with the qualities of Appreciative Intelligence. He transfers the abilities and qualities found in the previous phase to new levels. In the fourth phase of unintentional higher Appreciative Intelligence, thoughts and behaviors tend to become automatic. At this level, leaders such as Sreedharan perceive the potential (the mighty oak in the acorn) naturally and effortlessly. They are not intentionally looking for them. By practice and high Appreciative Intelligence, such leaders reframe challenges into new opportunities and engage in the necessary actions to transform their visions into reality.

Conclusion

Because of their ability to bring out the best in others, capacity for innovation and resilience in stressful situations, people with high Appreciative Intelligence become

valued members of organizations (Thatchenkery & Metzker, 2006). Very much like Sreedharan, they are often at the forefront of facilitating innovation and creating new ventures. They help harness the competitive advantages brought about by Appreciative Intelligence – innovation, talent development, employee retention and resilience – all that affect an organization’s success. Such leaders can help employees develop and enhance it within themselves and generate positive momentum for long term sustainability.

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