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Appreciative inquiry for accounting research

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Introduction

Drawing on Jan Reed's (2007) book, *Appreciative Inquiry: Research for Change*, this chapter provides a detailed description of appreciative inquiry (hereafter AI) and its potential usefulness to accounting research. AI is well known to organisational development (OD) researchers and practitioners as a research methodology to investigate organisational change. An AI approach has the potential to construct useful knowledge that may not normally be gained through focusing only on 'negative' aspects of accounting and organisational processes. The essential message of AI methodology is that it is useful to attend to what works well in a particular setting. This different mode of engagement can help to produce alternative (positive) interpretations of an organisational phenomenon. Throughout an AI study (from investigation to dissemination phases), a researcher can engage with different audiences (practitioners, policymakers and researchers) to construct a story or a range of stories of people helping to make 'things work better' (Reed, 2007, p. 176). This chapter presents a review of cases and articles from OD and change literature. More specifically, it borrows ideas from Reed (2007) and others (for example, Cooperrider and Avital, 2004; Cooperrider and McQuaid, 2012; Cooperrider, Whitney and Stavros, 2003; and Drew and Wallis, 2014) to explore how AI can be used in accounting research to understand accounting and control practices from a different perspective.

Generally, organisational researchers consider problems and issues when setting out a research agenda. It is a common perception in the academic community that a research project should seek to address organisational crises, tensions and dilemmas arising from various micro- and macro-level issues. Therefore, from the outset, researchers seek to investigate *what went wrong* in an organisation. Bergvall-Kåreborn (2006) cautions against this problem-centred approach:

> The danger of focusing heavily on problems is that it risks eliminating an unwanted situation without necessarily attaining a desired situation. It also runs the risk of keeping

> the stakeholders and participants in the prevailing mode of thinking, rather than helping them develop new and innovative ideas and mindsets
>
> *cited in Bergvall-Kåreborn, Holst and Ståhlbröst, 2007, p.76*

The principal aim of this chapter is to explore whether/how AI can help researchers understand the effectiveness of accounting and control practices. It highlights how AI has become not merely an additional tool for OD consultants, but a distinct research framework. The chapter begins with an introduction to the basic principles of appreciative inquiry, followed by an examination of the findings of studies using an appreciative inquiry approach. It goes on to demonstrate how AI can offer useful insights into accounting research literature.

What is an appreciative inquiry approach?

The theoretical foundation of AI is in complexity theory, with its emphasis on principles of self-organisation, emergence and positive feedback, which stimulate change and adaption within a system (Mason, 2007); and in positive organisational scholarship, which is focused on understanding the conditions of flourishing: being in an optimal range of human functioning (Dutton and Sonenshein, 2011).

AI perceives organisations as living systems, learning, changing and growing by responding to the environments they inhabit. AI promotes principles of collectivism and merges inquiry and change as a simultaneous process. Determining what currently works well within a system can provide an understanding of conditions for future success that are specific to that system. These strengths become the focus for future planning and positive change. Drawing on the principles of complexity theory, which state that the acceptance of change is a condition for sustaining life within any system, AI focuses on the role of positive feedback in magnifying small changes to produce effective change within a system (Grandy and Holton, 2010).

AI methodology encourages a participatory approach to eliciting information on what is working well (Grandy and Holton, 2010). What is best should be carried forward because it already works well. This benefits not only the organisation but its members: AI recognises that anxiety often accompanies organisational change, and suggests that this can be eased by identifying and holding onto the best from the past (Grandy and Holton, 2010).

For decades the focus of organisational development has been one of 'fixing the broken'. This has led to significant contributions to the literature at the cost of overlooking the strength of human endeavour exerted within organisations to 'get things right'. AI is a field of constructive inquiry first developed by David Cooperrider and Suresh Srivastva from Weatherhead School of Management at Case Western Reserve University. They provided the impetus to look for the positives in organisational dynamics, and to develop these further to reach the true potential of OD. Rather than fixing what went wrong, AI seeks to appreciate what gives strength to organisations (Cooperrider and Avital, 2004).

Principles of appreciative inquiry

Cooperrider and Avital (2004, p. xii) state that 'Appreciative Inquiry is a constructive inquiry process that searches for everything that "gives life" to organisations, communities and larger human systems when they are most alive, effective, creative and healthy in their interconnected ecology of relationships'. The AI literature identifies the following five principles of the AI method.

The constructivist principle

AI is concerned with the interpretation of experiences rather than the objective study of phenomena. People have different lived experiences of attempting to fulfil their obligations in an organisation. AI pays attention to their stories about the past, present and future and the power these stories have to shape and reflect the ways people think and act (Reed, 2007).

The simultaneity principle

Inquiry and change are not separate or sequential processes, but occur simultaneously. The inquiry itself stimulates reflection that leads to different ways of thinking: the process of AI itself ignites change (Reed, 2007).

The poetic principle

AI involves an individual and collective authoring process. The poetic principle states that people compose narratives of their experiences, focusing on different elements at different times and experimenting with different scenarios or 'plotlines'. AI supports this authoring process in a way that makes the research process accessible to participants (Reed, 2007).

The anticipatory principle

This principle states that the way people think about the future will influence the way they move toward the future. For example, if people see the future as something full of possibilities, they will move towards these possibilities. However, if people see their future as gloomy, they will think there is no point in doing anything since it will only be a waste of energy (Reed, 2007).

The positive principle

The aim of AI is to encourage engagement by asking people positive questions about their experiences in their organisations. It is the view of proponents of AI that these questions capture people's interest and keep them engaged more deeply and for a longer period of time in processes of organisational change (Reed, 2007).

Underlying assumptions of AI process

Based on the above principles, Reed (2007) identifies the eight assumptions that lead the AI process. The assumptions are described in turn.

In every society, organisation or group something works

Sometimes people have negative attitudes and feel that things are all doom and gloom. AI overcomes this. For example, take the case of a community sports facility that is run by a group of staff who have had complaints from the public who use the facilities: there are no lockers in the changing rooms, the temperature is too high and there is always a queue to buy entrance tickets. AI seeks to identify things that have worked: the facility is secure, the pool is clean, the basketball court is well designed and the gym is well equipped. This suggests

that even in organisations where things seem to be going badly, there will always be some positives to identify and build upon.

What we focus on becomes our reality

A focus on what has been accomplished, rather than on what has gone wrong, creates a positive atmosphere in which people feel confident that things can be achieved rather than anticipating failure (Reed, 2007).

Reality is created in the moment and there are multiple realities

This assumption is based on the poetic principle. As people focus on things they are interested in at different points in time they work with multiple realities. AI works with these multiple realities rather than searching for one '"truthful" account in which the facts can be checked and verified' (Reed, 2007, p. 28).

The act of asking questions of an organisation or group influences the group in some way

This assumption is based on the principle of simultaneity. When asking questions, people relate to their activities in new ways, which can lead to new ways of doing things (Reed, 2007).

People have more confidence and comfort to journey to the future, which is unknown, when they carry forward parts of the past, which is known

People's minds can be clouded by fear and anxiety when they are exposed to change. Building on what was done well in the past, rather than focusing on rejection of the past, can give people the confidence to move forward (Reed, 2007).

If we carry parts of the past forward, they should be what is best about the past

Following on from the previous assumption, a focus on the best of the past provides the opportunity to carry forward things that have been done well (Reed, 2007).

It is important to value differences

AI processes value and acknowledge different views and perspectives rather than ignoring them to attain a premature consensus. If there are differences, it is important to work with them prior to reaching consensus (Reed, 2007).

The language we use creates our reality

This assumption is based in AI's constructionist approach, which emphasises the importance of language in the construction of reality (Reed, 2007).

Although the above assumptions are based on a long process of thought and discussion, starting with research and moving towards practical guidelines, they should not be taken as beyond question by practitioners.

Appreciative inquiry can be applied to many dimensions of organisational life, but it is best to restrict projects to between three and five prioritised topics that have the following characteristics. The topics:

- are affirmative or stated in the positive
- are desirable and in line with the expectations and objectives of participants
- have created genuine curiosity in the group and people want to learn more about them
- move in directions in which the group wishes to travel
- must be of widespread interest, not merely the desire of a small group of powerful people
- must not be built around deficits or problems, but rather on strengths.

Cooperrider et al., 2003; Reed, 2007

Implementing appreciative inquiry method

Two common procedures are followed in conducting an AI study: the 4-D cycle and the 4-I cycle. (For details, see Coghlan *et al*., 2003; Cooperrider *et al*., 2003; Reed, 2007.)

The 4-D Cycle

The cycle comprises the following four elements:

- discovery
- dreaming
- designing
- delivery or destiny.

Discovery – appreciating what gives life

This stage explores what gives strength to the organisation. Group members interview each other about the topic. This may take the form of group discussions or exercises. Positive questions are communicated in ways that inspire the participants to narrate their experiences. The questions are fundamental and creative in nature, fostering innovations that challenge conventional forms (Avital and Carolo, 2004 as cited in Bergvall-Kåreborn, *et al*., 2007). During this phase new relationships are built throughout the organisation. However, this phase may face obstacles if the group is focusing on failures and deficits. Once this stage is accomplished and the core strengths are established this forms the foundation of what follows.

Specific activities included within this stage:

- setting the task focus – the context and purpose of the meeting are introduced
- appreciative interviews – all participants engage in one-on-one interviews about the topics of the meeting
- who are we at our best? – small groups recall important stories and best practices discovered during the interview process
- positive core map – the large group produces an illustration of the strengths, resources, capabilities, competencies, hopes, positive feelings, relationships and alliances of the organisation

- continuity search – the large group produces timelines of the organisation, industry and global context in order to identify factors that have sustained the organisation over time and are desirable in the future.

Whitney and Cooperrider, 2000

Dreaming – envisioning what might be

In this phase the team members work together to develop ideas about the future. The ideas are positive, based on what worked well today, and they are taken as the starting point for the future. Participants are encouraged to challenge the organisation's core strengths, and to think creatively and broadly, without considering constraints posed by resources and relationships. Participants endeavour to think 'outside the box' and aim for the ideal or 'dream' state unrestricted by other factors.

Specific activities include:

- sharing of dreams – participants discuss the dreams collected during the interview process in small groups
- enlivening the dreams – participants discuss specific, tangible examples of their dreams in small groups
- presentations of creative, metaphorical scenarios
- enacting the dreams – dreams are enacted in the large group.

Whitney and Cooperrider, 2000

Designing – determining what will be

The positive information gathered so far is used to create a design for the future in order to achieve the dream. Members agree on principles to guide changes towards achieving their dream for the organisation. They determine what changes are required and develop the details based on the previously agreed guiding principles (Watkins, Mohr and Kelly, 2011).

Specific activities include:

- creating the organisation design architecture – the large group identifies the organisation design architecture best suited to their business and industry
- selecting high impact organisation design elements – the large group chooses high impact design elements, drawing on interviews and dreams
- crafting provocative propositions for each organisation design element – small groups draft provocative propositions (design statements) incorporating the positive change core into the design elements.

Whitney and Cooperrider, 2000

Delivery – planning what will be

This is also called the destiny phase. Participants identify what needs to happen in order to deliver the design, including specific activities and actions and making commitments to tasks and processes. This is the 'deploy' stage during which the organisation evolves into the preferred future image created during the dream stage using what was done in the design stage (Watkins *et al*., 2011).

Specific activities include:

- generating possible actions – small groups brainstorm possible actions and share these with the large group
- selecting inspired actions – individuals publicly declare their intention for action and indicate the level of cooperation and support they need
- forming emergent task groups – open space groups gather to plan the next steps for cooperation and accomplishing tasks.

Whitney and Cooperrider, 2000

The 4-I Cycle

The 4-I cycle focuses on getting the ideas across, rather than action. Reed (2007, p. 34) outlines how AI research can progress through the following four processes:

- initiate
- inquire
- imagine
- innovate.

Initiate

At this stage members of the research team are given an introduction to the AI concept. The internal organisational members who will participate in the process are chosen and the necessary resources and timelines will be determined. The focus topics will also be decided.

Inquire

An interview agenda is developed to address the chosen topic. This may involve several stages of drafting and revising. During this phase the acceptability and intelligibility of the questions is tested and interviews are conducted more widely in the organisation.

Imagine

Emergent themes are identified from the data collected and collated at the inquire stage. A small group may work on the data and consult with the rest of the group to develop 'provocative propositions' and validate the data or emergent themes with as many members of the team as possible.

Innovate

At this stage, as many participants as possible develop plans. These are implemented and reviewed according to a pre-planned schedule.

Cautions and success factors for appreciative inquiry

Al is based on the principles of action research. It should be noted that AI is not a problem-solving technique. It is not the most appropriate methodology to solve an urgent problem or deal with a crisis (Drew and Wallis, 2014). Schooley (2012), in his review of AI in citizen participation in local government, suggests that Al should not be applied in a 'one size fits

all' manner. AI initiators must understand and evaluate AI in reference to organisational contexts. For example, AI researchers must appreciate the differences between volunteer and corporate organisations, and between bureaucracies and less structured organisational forms; and the nature and interests of key stakeholders.

There are ethical issues to consider in conducting AI. When applying AI in the political context, it is undesirable or even impossible to focus exclusively on the positive and avoid the negative, because of freedom of speech issues. There is a possibility that Al could be used inappropriately by untrained researchers or members of the team. It may not be possible to get the participation of all stakeholders for an AI group discussion. Researchers may need to consider whether it is ethical to follow the consensus of people who participated in an Al process, while failing to consider the perspectives of those who declined to participate.

Drew and Wallis (2014) list the following as prerequisites for AI, particularly for an AI summit:

- preparatory team work with both client and consultants
- the ability to train the client in AI
- training in action research, and principles of systems and organisational learning
- the ability to adapt the 4-D model to the situation
- skills in storytelling, the use of metaphors, developing a vision, brainstorming and creativity
- the ability to balance agility with discipline in project planning and programme leadership
- developed emotional intelligence and cultural sensitivity
- openness of mind and sensitivity to context
- the skills to combine Al with other management tasks, for example project management and strategic planning.

(Drew and Wallis, 2014, p. 19).

According to Cooperrider and McQuaid (2012), success factors for Al application include:

- preparing change leaders with the best in strengths-based research and positive psychology through training
- an AI summit that addresses an important systemic need or opportunity that could be improved by the engagement of a diverse set of stakeholders
- having the whole system present, even when it seems counterintuitive to do so – include, for example, unions and management, customers and company
- creating a system where innovation can emerge from everywhere: there is a need for design-inspired collaboration
- developing management skills to concentrate the effects of strengths and improbable connections.

Illustrative examples of AI studies

This section presents two case studies of the application of an AI approach. The first presents the work of Somerville and Farner (2012), who describe an AI process in an academic library that was undergoing change in staffing structure and technology. The second case study is taken from the work of Samuels and colleagues (2000) who conducted an AI process in oil and gas company BP Amoco. For original analysis of these two case studies, please refer to the original publications.

Case 1: Appreciative inquiry: a transformative approach for initiating shared leadership and organisational learning (Somerville and Farner, 2012)

Auraria Library leaders at the University of Colorado Denver, USA, employed AI principles, processes and practices to redesign organisational structure, social relationships, knowledge systems and workplace aspirations. For a period of four years from 2008 to 2012, Auraria applied interventions that were appreciative, applicable, provocative and collaborative. A new director was appointed to Auraria Library in 2008, coinciding with the announcement of inevitable budget cuts. As a result of the budget cuts, only one critical role was filled in the first twelve months, despite twelve positions becoming vacant as a result of university-incentivised retirements and voluntary resignations. This caused considerable anxiety. At the end of the year the library director realised that the reduction in staff would be permanent and the positions would remain unfilled, leaving only sixty-five employees, including twenty-four librarians, to service more than 47,000 students and 2,000 faculty.

The role of a traditional academic library can be defined as selecting, collecting and preserving information and facilitating users' access to this information. Most material in Auraria Library was held in print. The librarians were mediators of the collection through classification, reference, instruction and access services. In this traditional environment, library work was, by and large, consistent and repetitive, governed by well-organised policies, processes and practices appropriately fulfilled through a predetermined organisational hierarchy.

Auraria Library was struggling to cope with a changing information landscape, with monumental changes in new technology and escalating user expectations. A number of staff had been employed for well over twenty years and were versatile in routine tasks involving the print-bounded universe of peer-reviewed publications and assorted catalogues, indexes and abstracts. As things changed, staff members were required to both acquire new technological skills and to demonstrate creative problem solving. The introduction of an AI approach by the library director focused on 'engaging participants in a collective process of reframing and generation possible futures' rather than perpetuating problem-centred conversations.

Auraria Library relied on the constructivist, simultaneous, poetic, anticipatory and positive principles of appreciative inquiry to generate an organisational transformation which recognised that organisations reflect socially co-constructed realities. Appreciative inquiry proposes that action-oriented inquiry activities which intentionally co-create new organisational stories can enliven and inspire the best in people. In the Auraria Library example, these principles, processes and assumptions are illustrated through a transformative 4-D cycle conversation model.

At the **discovery** phase, to elicit staff passions, strengths and interests, the new library director conducted individual interviews with each employee. These were also used to gain an appreciation of employees' potential aptitudes and commitments. The outcomes of these initial AI conversations confirmed the breadth and depth of expertise and aspiration among staff members. In particular, the results corroborated employees' collective commitment to increase the library's centrality in learning, teaching and research activities.

At the **dream** stage the director identified potential leaders (with line authority and titled associate directors) within the organisation. She invited this group to dream with her. Extensive dialogue and reflection led to a series of workplace principles: provide training to develop digital age staff competencies; identify in-house staff promotion opportunities; enable decision making at the lowest appropriate level; and encourage leadership initiative throughout the organisation.

External consultants facilitated the **design** stage, and they co-created with employees a clear vision which combined the best of the present with the best of the past and ideals for the future. Over a twelve-month period, thirty employees focused on service, collections and outreach, mindful of the best of the present, the best of the past and their ideals for the future. Throughout the four-year period, Auraria library staff were engaged in the co-creation of an ideal workplace. When the former description of the library as a 'parking lot for books' was replaced with the phrase 'new library', it became a source of inspiration to employees. Quite naturally, the AI intervention involved repurposing and re-inventing the library building. Initial dreaming activities occurred in graduate level university architectural studios. Supervised by seasoned architecture professors, students conducted independent research on the implications of changes in university teaching, learning and research. At the culmination of some additional participatory action research projects conducted over an eighteen-month period, a professional architectural firm, Humphries Poi Architects in Denver, Colorado, facilitated intensive workshops involving library employees, campus planners, student representatives, professors and administrators. The intensive design process also brought about new insights about the library as a 'learning space' for both staff, who now occupy collaborative work areas, and students, who now enjoy collaborative study spaces.

Participants often expressed a desire for a progressive leadership model to ensure convergence and confluence of ideas from all levels of the organisation. This reflected a change in employees' image of the workplace, as they grew to appreciate the organisation. The **destiny** stage resulted in Auraria Library adopting 'shared leadership', which required transformation of organisational practices. The shared leadership conception was explicitly expressed through a representative shared leadership team comprised of both supervisors and non-supervisors. It included initiatives such as redesigning functional units, redesigning the organisational structure, a new design for communications, new professional and staff performance plans, a new design concept for renovating the library and new marketing messages. The team also developed questionnaires for potential new recruits, asking them to describe their ideal work environment and what they value deeply.

Over time and with practice, visioning together has developed a rich workplace context within which individuals and teams generate organisational insights and focus energies. For instance, staff members now understand the organisation as comprised of communities in which knowledge, identity and learning are situated.

Appreciative inquiry acknowledges the social context of learning – that knowledge is acquired through action, interaction and sharing with others. At Auraria Library, 'organisation' came to refer to a purposeful social interaction system that recognises that collective information and knowledge capabilities develop through workplace socialisation processes. From this viewpoint, Auraria intended to use ongoing AI projects to further the sustainable social interactions which, through organisational systems catalysed by dialogue and reflection, would enable investigation and negotiation of the interests, judgements and decisions through which people learn interdependently. 'Culture' is therefore understood at Auraria Library as shared appreciation and action developed through communication and expressed through increasingly effective collaborative professional practices.

The outcomes of the Auraria Library appreciative inquiry suggest that AI philosophy, grounded in dialogue and reflection, can stimulate organisational innovation orchestrated through shared leadership principles. In the above case setting, most employees now actively seek ongoing learning opportunities, leaving only a small number of staff who, for reasons of aptitude or attitude, remain resistant to change.

Case 2: BP Amoco: passionate leadership that inspires and motivates (Samuels, Moh and Dinga, 2000)

BP Amoco's Upstream Technology Group (UTG) provides high-end geoscience and engineering support to the exploration, production and development business units of the company. The UTG has approximately 725 employees located in Houston, London, Aberdeen, Anchorage and Chicago. The entire leadership of UTG (sixty people) attended a one-day appreciative inquiry mini-summit. The focus of the inquiry was to maximise the research and development group's ability in operating business units effectively.

UTG members decided that they needed more passionate leadership. After an initial conversation, Neil Samuels, Internal OD Consultant for BP, was invited to introduce AI to staff at regular team meetings and at a 'Lunch and Learn' session in Houston. Following a positive response, the leadership decided they wanted to conduct an inquiry into passionate leadership. Samuels invited Bernard Mohr, a scientist, to join the project and the UTG scientists felt comfortable moving forward because of Mohr's depth of experience and expertise.

A core team of ten people, including senior individual contributors, line managers, geoscientists and engineers, came together to develop the interview protocol and plan the mini-summit. Training for the core team began with paired interviews, debriefing after the interviews, and developing key themes, topics and life-giving forces relating to leadership. The core team used these themes to develop the next interview protocol, which they piloted on co-workers. The groups then reconvened to plan the mini-summit, discussing key stakeholders, critical success factors and the role of the core team. The mini-summit occurred during the second day of a two-and-a-half-day meeting. The first day was spent on safety and talking about the kind of company BP's leadership wants it to be. The summit began with Mohr providing an overview of AI. Pairs were then formed and the participants interviewed each other using the interview guide. Upon returning from the interviews, participants convened in groups of eight to identify life-giving forces for leadership within UTG.

Moving into the dreaming phase, people were asked to rearrange their groups with two interview pairs remaining and two interview pairs moving into a new group. This encouraged new relationships and fresh ideas while providing some continuity. The groups were asked to describe what UTG leadership would look and feel like in the future if leadership, at both the individual and collective levels, were supported by a much greater presence of life-giving forces: a time when their most compelling hopes and wishes had been achieved. The mini-summit ended with groups creating micro provocative propositions and individuals writing and posting their commitments.

As a result of the mini-summit, several recommendations were accepted to move the provocative propositions of passionate leadership to reality. They included the development of a more consistent appreciative approach to the performance management system across UTG. This involved inviting staff to give feedback to managers. Further, the performance management process was to be enjoyable, motivating and useful to both the staff and the leadership of UTG. There was a recommendation to expose more team leaders, individual contributors, network leaders and project managers to AI and to appoint team champions. Other initiatives included spreading the application of AI to important UTG business issues around the globe, using AI to build relationships with BP partners and promote the success stories to keep passionate leadership and AI alive in UTG. At all significant gatherings of leaders, time is dedicated to sharing tales of the successes of those present and others in the organisation.

Appreciative interviews were used throughout the AI process to solicit ideas and concepts regarding past experiences with planned approaches, turning dreams into reality, adaptability

design and delivery, and small steps with great impact. The core team debriefed following the interviews and identified life-giving forces that were present when interviewees experienced times of maximum connection, partnership, results and knowledge transfer. The appreciative inquiry for the mini-summit was created by the core team and built on what they had learned from the initial interviews. Topics included reflecting on individual actions to translate the provocative propositions into daily practice; leaders' activities that really help translate the provocative propositions into reality; past experiences with planned approaches to turning dreams into reality; personal strengths; and adaptability design and delivery. Concrete ideas and commitments were made at the mini-summit and the organisation moved toward meeting the production challenge. One participant summed up what they learned: 'AI "allows" the conversations to move readily into the realm of "possibilities" and the tenure [sic] of the discussions becomes more in terms to be in the vein of "Going to" rather than "Moving from" some aspect. A more rewarding conversation for both parties ensues' (Samuels *et al*., 2000, p. 2).

Following the mini-summit, Kenny Lang, the Business Unit Leader, initiated an electronic dialogue in which people were invited to post stories of accomplishments related to the original provocative propositions and the commitments made on the day of the mini-summit.

Appreciative inquiry for accounting research

The preceding discussion on AI and its application in the two illustrative cases highlights the benefits of using AI to understand various business and management processes. Over the past ten years, the AI approach has been successfully implemented in organisational and management research. Although Robert Kaplan of Harvard Business School conducted several field studies with David Norton using an action research approach to develop success stories about balanced scorecard implementation (Kaplan and Norton, 1992, 1996), the AI approach has received little or no attention from accounting academic researchers. My understanding about the potential benefits of this approach from other disciplines has led me to believe that AI has great potential to develop success stories of accounting processes in various settings.

AI can be applied to technical processes, continuous improvement and performance measurement and management topics covered under financial and management accounting. For example, AI can be applied to find out what worked well for an organisation in the accounting areas. According to Reed (2007, p. 2) AI 'concentrates on exploring ideas that people have about what is valuable in what they do and then tries to work out ways in which this can be built on – the emphasis is firmly on appreciating the activities and responses of people, rather than concentrating on their problem'. The principal focus of the AI within an organisation is on understanding 'what people had felt had gone well' (Reed, 2007, p. 7). Accounting studies could explore what really worked well or what went wrong when assessing the success or failure of an accounting innovation.

From an organisational change perspective, the introduction of substantial changes within an organisation often comes at a cost and carries attendant risks. Although an organisational change can be well received by some employees, some can resist the change. A series of interviews can be conducted within the research site to find out '…the things that people feel went well' (Reed, 2007, p. 5).

In the accounting research literature, while considerable research has gone into investigating what caused particular accounting tools, such as activity-based costing and balanced scorecard, to fail in an organisation, little research has sought to understand what

went well and why this was so. Further, during performance evaluation of the organisational budget process, managers engage in shifting the blame for what went wrong, often implicating the accounting staff. There is potential for AI to explore what went well during the budget process. Using AI, one can find out how the organisation developed and used successful strategies to make the system sustainable in the organisation.

The knowledge created in an AI study is socially constructed, and meaning is seen as emerging from our engagement with the realities of the world. From the outset, the researcher is '…biasing the study towards success stories and away from negative ones' (Reed, 2007, p. 7). According to Reed:

> what had worked could be a more helpful way of thinking about an issue than examining ways in which things had gone wrong. According to this principle, we would achieve more by collecting data about strategies that had worked, or were "successful," so that they could be analyzed and presented to audiences who might try them out.
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> *Reed, 2007, p. 7*

Appreciative inquiry can therefore be seen as a constructionist methodology in which knowledge is created by the research process. Table 8.1 summarises the epistemology of AI.

Table 8.1 Epistemologies/strategies in an AI study

	Focus	*Description*
Aims	Exploration	To explore strategies that organisational members had come across and found to be effective.
Looking for	Understanding	Improved understanding of specific issues.
Subjectivity	Embraces multiple perspectives	To develop an integrated, coherent success story or a range of stories from multiple perspectives.
Look at	Processes (active), whole	To understand the process as a whole, such as the Balanced Scorecard design and practice.
Research design	Emergent	Collect and present sufficient contextual information from multiple sources such as interviews, observation, focus group discussion and archival documents.
Sampling	'Open-minded sampling'	Different people in different hierarchical levels with target numbers for each level. Anyone suggested and who would be willing to participate.
Extrapolation	Lessons learned, 'petite generalization'	Generalising findings to one particular context as well as to other contexts.
Kind of question(s)	'What' and 'How'	Asking people 'open-ended questions' about 'what went well' and 'how'.
Analysis	'Nominal Group Technique'	Recording of interviews and reflecting diversity and reaching consensus (Reed, 2007, p. 10).

Conclusions

This chapter sought to demonstrate that the appreciative inquiry approach has the potential to play an important role in accounting research. The review of the AI approach focused on its basic principles and approaches. As shown in this paper, AI has been widely used in organisational development research literature as a research method, in particular where the researcher wished to explore the successful implementation of organisational change processes. Researchers have increasingly taken from AI the idea of asking positive questions about an organisational phenomenon.

This chapter suggests that an AI approach engages people deeply and in a constructive manner through conversations with people involved in practice. AI researchers suggest that AI is able to capture people's interest in an organisational change process by asking positive questions about their experiences during and after change implementation.

This brief review suggests that as an approach, AI engages people in the process of collaborative inquiry – the researchers as well as the participants. An AI approach requires experience and skills in designing research and addressing the theoretical and methodological debates discussed in this chapter. An AI perspective can help capture '…the way an organisation works and the way they (people) can tap into this' (Reed, 2007, p. 170). AI can open up a new way of exploring and understanding the working of accounting practices and their construction in a particular context.

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