

RESEARCH REPORT

THE LEADER AS STORYTELLER:  
ENGAGING HEARTS AND MINDS?

Annette Sinclair

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# **THE LEADER AS STORYTELLER: ENGAGING HEARTS AND MINDS?**

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# Executive Summary

Storytelling is receiving increasing attention as a powerful tool for leaders to address some of today's key leadership challenges, including articulating a clear vision and strategy, engaging employees, generating commitment to change and establishing trust in leaders. In this report we draw on existing literature and semi-structured interviews with senior leaders to examine the theory and evidence behind these claims. We also pose challenges, at the end of each section in Part 2 and Part 3, to encourage reflection for how leaders might use stories or narrative techniques to improve their own effectiveness.

## **PART 1: HOW DO STORIES DIFFER FROM OTHER FORMS OF COMMUNICATION?**

Stories vary in length and breadth. They have different objectives, from the brief anecdote that offers insight, to the more in-depth organisational narrative that aims to engage employees with a vision. What sets them apart from many other forms of communication is that they incorporate a specific context and create meaning through appealing to the imagination and feelings rather than rationality alone.

## **PART 2: THE POWER OF STORIES – WHY STORIES ARE PARTICULARLY EFFECTIVE METHODS OF COMMUNICATION**

The narrative techniques used in stories are particularly effective at getting and holding our attention. They can also enhance understanding because they incorporate a context that people can relate to and show the causal links between events. Findings from neuroscience suggest that our brains react differently when we hear

a story as opposed to factual information or arguments. The same neurological regions are stimulated when we listen to or read a story as when we experience an event in real life. This connects the story with the listener's own experience and helps make the information in stories more memorable.

The real power of stories, however, lies in their ability to influence behaviour through appealing to feelings and emotions. Emotions play an important role in decision-making and recent discoveries in neuroscience are proving that even when we think we are making decisions based on 'logic', we are often unconsciously being driven by our emotions. Stories can be particularly effective at bridging the gap between the intellect and the emotions.

We demonstrate, however, that the success of a story depends to a large extent on the skills of the storyteller and, moreover, that people respond differently to stories. We also highlight the dangers of telling stories that are perceived to be 'spin' or manipulative or turn out to be false. We emphasise that the potential of storytelling for effective communication does not diminish the value of facts, data and logical reasoning in decision-making, but conclude that stories can bring facts to life and put information or concepts into a context that is more meaningful for the audience.

## **PART 3: HOW AND WHEN STORIES CAN MAKE LEADERS MORE EFFECTIVE**

In part 3 we show how stories are used to address key leadership challenges including building credibility and trust in leaders; developing a shared understanding of an

organisation's purpose and vision; developing strategy; stimulating engagement and genuine commitment; managing change; and influencing behaviour, values and culture.

We draw out key lessons, in particular, the need for authenticity and alignment between words, actions, systems and processes. We highlight the advantages of asking as well as telling stories and demonstrate that people differ in how they interpret stories and their faith in them, based on their previous experiences.

## **PART 4: WHAT MAKES A GOOD STORY AND A GOOD STORYTELLER?**

In the last section we look at what makes a good story. We argue it needs to fit the purpose, get and maintain attention, come to life in the imagination, engage people's emotions and be relevant to the audience. We argue that attention to and belief in a story is down to the authenticity of the storyteller and how they deliver it. We highlight the need for storytellers to believe in their story's message, tell stories in a way they are comfortable with, respect and connect with the audience, create opportunities to share and listen to other people's stories and look to the listener/audience for feedback.

We conclude that stories can be a powerful leadership tool, particularly when they become part of on-going interactive communications. However they are most influential when other initiatives and actions are in alignment.

# Introduction



Effective leadership requires the ability to choose the right story at the right time and tell it well. [46]

Stories are part of our everyday life. They are everywhere in the conversations we have, newspapers, social media, books, radio, TV. Stories also abound in the informal communications within a workplace. We tell personal stories about ourselves, our families and our lives outside work, as well as stories related to people and events in the organisation: tricky customers, suppliers or managers; how things are done around here; stories about the past and what might happen in the future.

The power of stories to influence behaviour has long been recognised by the advertising industry to sell products. But it is only comparatively recently, that focused attention is turning to the power of stories to influence behaviour *within* an organisation. The drive for rational, verifiable, evidence-based decision-making and the focus on concise, to-the-point communications, has meant that stories have been considered less appropriate for formal, 'business-like' communications than for entertaining speeches and conversations.

Increasingly, however, storytelling is receiving attention as a powerful means for leaders to align and inspire a workforce. Advocates argue that it is an essential tool for addressing many key leadership challenges, including articulating a clear vision and strategy, engaging employees, generating commitment to change and establishing trust in leaders.

Our own research shows how commonly organisations fail to meet these challenges. In Roffey Park's 2015 survey of over 1,300 managers, a fifth reported their leadership fails to articulate a clear vision and strategy. Our most recent survey shows that nearly three-quarters of managers believe employee engagement is one of the key people challenges they face and lack of leadership to inspire and motivate is the most common barrier to implementing change effectively [36]. These challenges can be helped or hindered by trust in leaders. Recent CIPD research shows that lack of employee trust has become one of the top five most common concerns of business leaders [11].

This prompted us to examine the use of storytelling as a leadership tool in more detail. Is it really the powerful tool that its advocates claim? How and when can telling stories make leaders more effective and what is required to do it well?

In this report we explore the theory and evidence behind the claims that storytelling is a powerful leadership tool. We draw on existing literature and semi-structured interviews with senior leaders who use stories in a variety of ways to examine:

- How do stories differ from other forms of communication?
- Why are they so powerful?
- How and when can telling stories make leaders more effective?
- What makes a good story and how do you tell it?

# Part I: How do stories differ from other forms of communication?



Storytelling is a phenomenon that is fundamental to all nations, societies and cultures, and has been so since time immemorial. [13]

Stories differ in length and breadth. They may be spontaneous or planned. They have different objectives; from the brief anecdote that offers a flash of insight, to the more in-depth organisational narrative that aims to engage employees with a vision. There are many different definitions of what constitutes a story. [6] For our purposes here, what sets them apart from many forms of organisational communication is that they are contextual and appeal to imagination and feelings rather than rationality alone.

## Stories are concrete

In a simple sense, a story is about particular events (based on fact, fiction or fantasy) that happen (or might yet happen) to particular characters (human or non-human) in a certain time and place (past, present or future) [40]. As Wortmann argues, stories 'add back' context. In contrast to abstract mission statements, values, data points, etc., stories are inherently concrete [57].

*'When we show people slides with bullet points on them, what we are actually showing them is a lot of rich information that has been stripped down to its bare minimum for expediency's sake. It's like if I say "Just treat our customers with more empathy" instead of telling the rich story about how we received a letter of thanks from a customer after one of our call centre representatives showed true concern for a child's broken arm.'* [57]

## Stories appeal to feelings rather than the rational mind

Stories differ from many other forms of communication (generalisations, arguments, and explanations) that draw on logical reasoning or aspire at objectivity. In contrast, stories aim through narrative skill and techniques, to stimulate the imagination to create an experience that is real in the mind. Stories are consequently seen to connect with emotions and feelings in a way that more objective forms of communication do not. Gabriel argues that factual or descriptive accounts of events that aspire at objectivity rather than emotional effect must not be treated as stories [18].

*'The truth of the story is then not to be judged by its accuracy (the way that the truth of information may be judged) but by its capacity to express of a compelling set of meanings.'* [17]

## Stories as sense-making

Postmodernism has greatly expanded the definition of what constitutes a story such that: "Virtually any piece of text, any sign, any object that has drawn a gaze onto itself, tells a story." [18: p17]. In other words, anything that can be said to make sense of something is telling a story. Thomson, however, asserts that if storytelling is present in everything that bears information then it dilutes our understanding of what stories actually are [54].

For this report, looking at whether and how storytelling can aid effective leadership, we focus on a narrower definition of stories: Spoken or written communications that incorporate a specific context and create meaning through stimulating the imagination. Nevertheless, in considering how convincing these spoken or written stories are, we take into account the postmodernist view in considering the consistency of messages that are 'told' through action (or absence of action) as well as words.

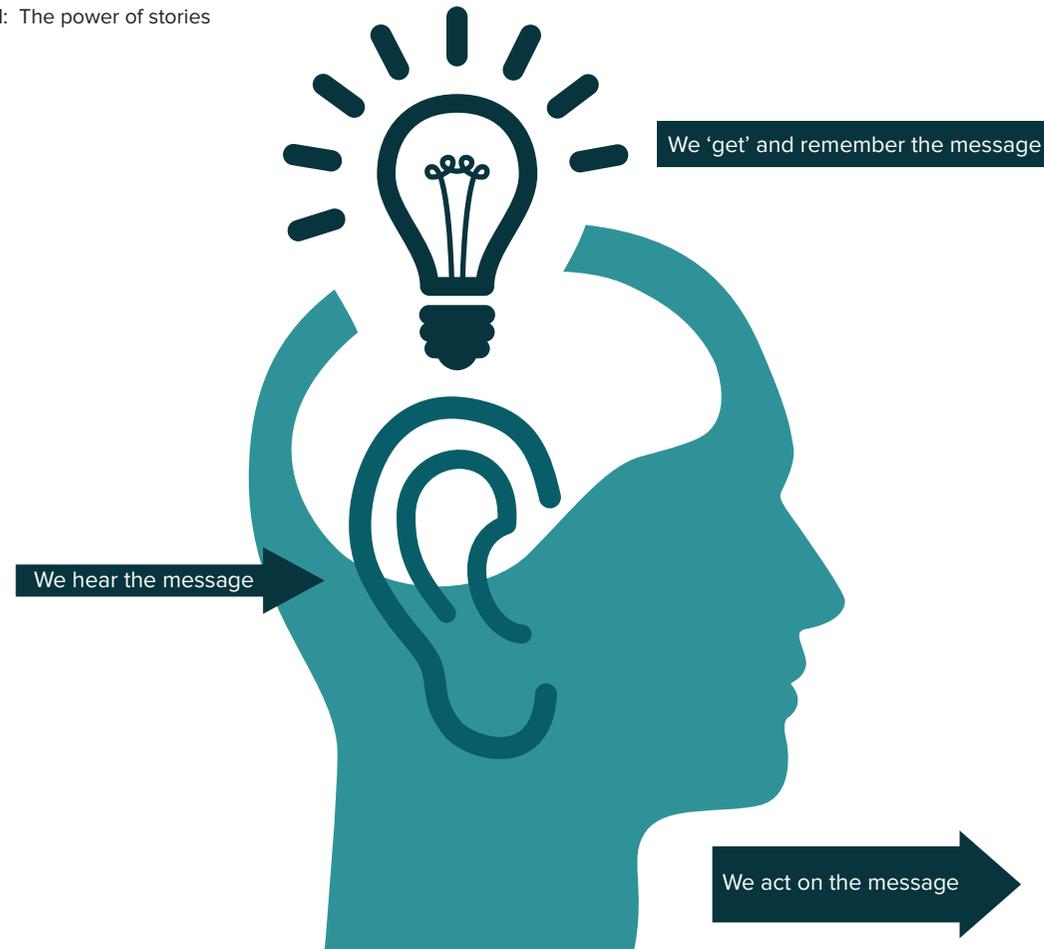
## Part 2: The power of stories: Why stories are particularly effective methods of communication

Advocates argue that stories are particularly effective methods of communication because:

1. They get and hold our attention – we hear the message
2. They are simple to understand – we 'get' the message
3. They are memorable – we remember the message
4. They are persuasive – we act according to the message

In this section we consider each of these arguments and the evidence to support them.

Figure 1: The power of stories



## 2.1 Stories hold our attention – We hear the message



Storytelling puts listeners in a different orientation. They put their pens and pencils down, open up their posture, and just listen. [31]

Stories can be particularly effective at getting and holding people's attention. When we hear the beginning of a good story we are curious to find out what will happen so we listen receptively. The narrative techniques used in stories (i.e. challenges, conflict, suspense, surprise, humour) also help maintain attention. In contrast, facts, figures and logical arguments require more concentration so can be less effective at holding our attention. The leaders we interviewed all supported this view:

*'People listen a bit extra when you tell them a story.'* [SLI]

*'When you're telling stories like that you can hear a pin drop.'* [SLI]

*'In terms of pride, engagement, understanding, you lift the mood in the room much more when you haven't got stuff on the screen behind you and you're not 'miked up', something to do with the informality of it... everyone sits up in their seats.'* [SLI]

Clearly this is not always the case. Sometimes figures or statistics can grab our attention in a powerful way and most of us have read or heard stories that have failed to interest us or that we have struggled to follow. Often, however, a well told story that we can relate to is more effective at gaining and keeping our attention than an argument or facts. Neuroscience suggests this is due to the different way our brain responds when we hear stories as opposed to factual information or arguments. Facts and figures engage a small area of the brain, while stories engage multiple brain regions that work together to build colorful, rich three-dimensional images and emotional responses (Box 1).

*'As we read stories we quickly begin to feel as if what's happening out there is actually happening in here. Each sensory image, sound, texture, color, sensation and emotion provides a hook for our brain as the story draws us in and maintains our attention effortlessly.'* [43]

### Box 1: How our brains respond to stories

Using fMRI scanners, neuroscientists have shown that when we listen to a PowerPoint presentation with bullet point facts, the language processing parts of our brain, where we decode words into meaning, 'light up.' Nothing else happens. In contrast, when we are exposed to storytelling and vivid language, other areas of the brain that are responsible for transcribing actual things that happen to us also 'light up'. Words associated with smells – lavender, coffee, soap, light up the olfactory cortex; metaphors involving texture, 'The singer had a velvet voice', 'he had leathery hands', rouse the sensory cortex and words describing motion provoke activity in the motor cortex which coordinates the body's movements. In other words, the same neurological regions are stimulated when we hear or read a story about an experience and when we encounter it in real life. [21, 34, 41]

Do people 'sit up and listen' when you are making important communications?  
Does the language and imagery you use help bring your communications 'to life'?

How could you incorporate narrative techniques (humour, surprise, challenges, etc..) to help hold people's attention?

## 2.2 Stories are simple to understand – We ‘get’ the message



If you want to get a point across use a story or a metaphor. [SLI]

Stories are simple to understand because they involve specific characters and events. Anyone who has ever asked someone to explain a generalisation or abstract concept recognises the advantage that a concrete example or ‘story’ can provide in aiding understanding. Figures and statistics can also be made more meaningful to the listener through a story that provides a context that people can relate to.

### Stories fill in the gaps before we do

*‘Our brain thinks in stories. It likes patterns, not random facts so it looks at everything and sees how to run a narrative thread through it.’ [32]*

Stories can act as sense-makers. Research has shown that we fill in the gaps to create meaning and causality between events even where none exists [27, 25]. This may explain why stories that make explicit the connections between events are more effective at creating a clear understanding.

Carriger’s research, for example, found that story is more effective at conveying a clear understanding of corporate strategy than a factual PowerPoint presentation. He found considerable variation in managers’ ideas about their corporate strategy three months after it had been outlined by their CEO in a PowerPoint presentation ‘replete with facts and figures, graphs and charts’ [9, p 52]. Using a corporate story to communicate strategy led people to a clearer, consistent and more confident understanding of corporate strategy and competitive advantage than relying on bullet points, facts and figures alone [8, 9].

### Stories clarify what abstract concepts mean in practice

Because the brain reacts differently to stories than to factual data (Box 1), stories seem more ‘alive’, personal and relevant [24]. Abstract concepts and values can be brought to life through stories that show what they actually look like in practice in a specific context.

Snow tells a story to demonstrate what ‘treating people with respect’ means to him: Recently promoted to a management position, he was preparing to give his first verbal reprimand to an employee when his boss arrived and sat down in the chair opposite. ‘He looked at me and said something that I have never forgotten. He said; *“Dennis, no matter what you have to do as a leader, whether you have to reprimand someone or even fire someone, when he walks out of the door you make sure he walks out with his dignity.”*’ Telling the story takes longer than simply instructing employees to ‘treat others with respect’, but Snow argues it makes a much more vivid point [53].

Our leaders also gave several examples of how they used stories to enhance understanding (Box 2).

## Box 2: Using stories to enhance understanding

### Clarifying complex concepts so people understand the strategy

*To get across a concept such as economies of scale, we tell a story of a perfume shop that's competing with a company like Boots, or one of the big chains. Through the story we try to help people understand the difference between unit costs, margins, volume, etc., why someone can buy a product in a large chain at two-thirds of the price. Why they might buy from us rather than a large organisation. [SLI]*

### Emphasising the meaning of 'really good'

*Instead of saying, 'You've done a really good job' - that could encompass a whole plethora of levels of 'really good' - I try to create something really tangible through using four or five different anecdotes.... For example, I had one of our competitors ring us up and say, 'I see you've launched a new product, who did you buy it in from?' and I replied: 'We didn't buy it, we built it,' and his response was 'How?' And I just leave that hanging in the air for everybody. Because here we have a peer and a senior guy from there is dumbfounded that we've done something they haven't been able to achieve. Leaving that 'How?' hanging in a room full of 500 people - you can actually see them puffing up. They really get it. What I say [i.e. as a company we're doing really well] could never convey that impact, that shock value. [SLI]*

### Aiding cross cultural understanding

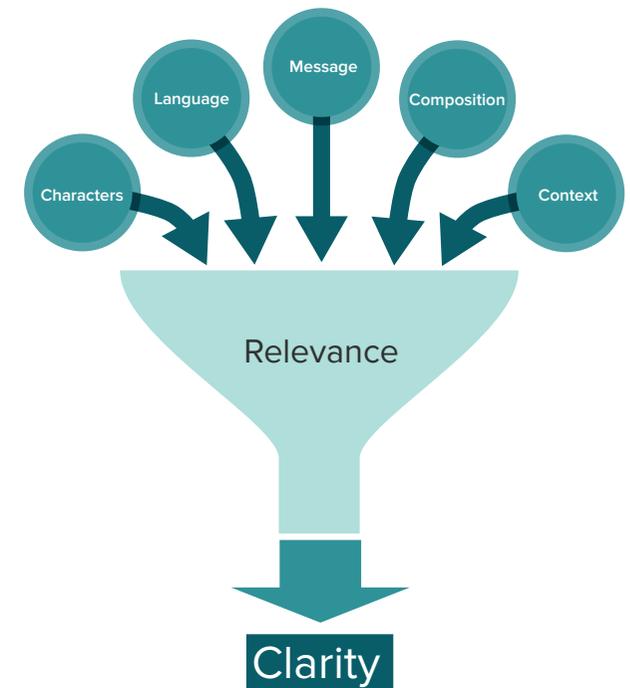
*By going to other countries we get a feel for that culture and how our business works in that country. I make a sort of 'story book' up, take photographs and videos on my phone to share with my staff when I get back. It helps them understand how things work in other countries. .. For example, the average worker in the office we deal with in China doesn't have the autonomy to make a decision themselves; it has to go through the system. A worker in my office can get frustrated with the delay, asking, "Why isn't the person in China doing this?" Sharing stories of how things are for an average Chinese worker in our industry helps them understand. [SLI]*

## Clarity depends on the skills of the storyteller

Stories can be an aid to understanding but how well stories hold our attention and how clearly they impart their message depend to a large extent on the skills of the storyteller. The selection of the story, its composition, the language used and how it is told, needs to be appropriate for the audience, the message and the context.

*I witnessed an event where the leader tried hard through the use of metaphor to engage with their team about their future direction. However the metaphor seemed over-elaborate and personal, leaving the audience confused. It seemed to miss some of the fundamentals of storytelling. There was no clear structure or plot and while there was an attempt at symbolism, the characters, their roles and narratives were far from clear. There was also a lack of attention to the context - what did the organisation need to hear at this point in time? They needed permission and encouragement. They needed, through the story, to see something of who the storyteller was, what they stood for and why people should follow them. The story got lost or hidden behind the metaphor [47].*

Figure 2: Clarity depends on the skills of the storyteller



How much do you rely on bullet points, facts and figures to convey a message? Do you put these into a context that people can relate to? Do you make explicit the connections between events or suppositions?

Do you clarify abstract values and concepts through examples of what they mean in practice for your organisation and your employees?

## 2.3 Stories are memorable – We remember the message

The success of any communication is largely dependent on how much of it is remembered. Research has found that information presented in a story-based style is better remembered than that presented in traditional textbooks or encyclopaedic texts regardless of familiarity or level of interest [49, 22]. Organisational psychologist, Peg Neuhauser also found that learning derived from a well-told story is remembered more accurately, and for far longer than the learning derived from facts or figures alone [44].

Stories make information more memorable because they activate more parts of the brain and connect with the listeners' own ideas, experience and emotions, making it more personal and relevant to them [8, 24]. Using metaphors and analogies in stories can also be particularly helpful in making a story memorable as they create a strong mental representation in our minds (Box 3, Case Study 2 on page 26).

### Box 3: Memorable metaphors

*When you do restructuring in banks you usually have a lot of bad credit. You can usually break that down, for example, collateral in a building which you can take over, etc. When I was a student I worked in the airport one day a week, loading luggage. There was a machine that sorted it out and it wasn't a very smooth machine so it resulted in a lot of damages. We called it 'The crush'. Now when we talk about bad credit that we have to get out I call it 'The crush'. I told people the story of why I call it 'The crush' and after that everybody called it 'The crush'. [SLI]*

### Making it stick

Clearly, however, we do not remember all the stories we hear or read. Sometimes we see a book that we know we have read before and enjoyed but we can't remember what it was about. Research suggests that the stronger the emotional response we have to a story (shock, surprise, empathy, etc..) the more memorable it will be because the brain releases memory-aiding adrenaline when we experience an emotional reaction [27]. This is why most people are able to remember where they were when they found out about 9/11 and why things that are out of the ordinary or surprise us are better remembered [7].

Repetition is also key for remembering. At the Partyman Company (Case Study 3 on page 30) stories exemplifying the company's values and achievements are generated and shared on a regular basis. Using different stories to convey the same message and encouraging others to come up with their own stories increases the likelihood that others will be able to relate to and connect with a story in a memorable way.

How could you employ narrative techniques (i.e. using metaphors and analogies, evoking emotions) to help make a message more memorable?

How could you facilitate the sharing of stories to reinforce key messages?

## 2.4 Stories are persuasive – We act on the message

Storytelling is more than a technique for clear, comprehensive communication. Denning, Smith, Simmons and numerous others claim the real power of stories lies in their ability to influence behaviour through appealing to feelings and emotions [14, 50, 52].

### *‘Emotion leads to action while reason leads to conclusions’*

(neurologist Donald B. Calne) [26]

The power of stories to influence behaviour lies in their ability to elicit an emotional response; to move us to genuinely connect with their message. Most organisations recognise the value of engaging hearts and minds for motivation and discretionary effort, yet the role of emotions in influencing behaviour is often overlooked. We view ourselves as rational decision-makers and attempt to persuade others through evidence, logic and argument.

Harris (2012) argues that relying on facts alone to convince people to do something doesn't work because people are biased to stick with the status quo. We have a tendency to accept confirming evidence at face value while subjecting contrary evidence to critical evaluation. Research shows that strongly held convictions can actually harden in the face of contradictory rational evidence [35].

Even when we accept the logic of an argument it doesn't necessarily lead to the desired behavioural change. Facts and argument can make a cause credible but in order to act, people need to know how things affect them, directly or indirectly, and care.

*‘Knowing that you need to change isn't enough. You have to want to change, and it takes emotion to bring knowledge to a boil.’ [27]*

There is a strong body of evidence from neuroscience that demonstrates the inextricable link between reason, emotion and decision-making (Box 4). Damasio argues that emotion is a necessary ingredient to almost all decisions because feelings from previous experiences attach values to the options we are considering. Some of the recent discoveries in neuroscience are proving that even when we think we are making

decisions based on 'logic', we are often unconsciously being driven by our emotions [43]. This is not to argue that emotions help us make *good* decisions, but that they have an important role in the decision-making process.

### Box 4: The role of emotion in decision-making

Back in 1982, Elliot, a patient of neuroscientist Antonio Damasio, had a small brain tumour cut out of a part of his cortex and consequently lost his ability to feel emotions. His IQ in the 97th percentile remained the same but he lacked all motivation and was incapable of making decisions. Even small decisions such as where to eat, which colour pen to use, were fraught with endless deliberation. The conventional view at the time had suggested that feelings interfere with logical analysis and effective decision making. What this case found was that lack of emotion paralyzed decision-making [12].

### *‘Stories can bridge the gap between the intellect and the emotions in a way no other method achieves’ [4]*

When stories about characters and events we can relate to are experienced and 'come alive' in our imagination, they can generate a wide range of emotions (sympathy, excitement, pride, empathy, surprise, shock, admiration, joy, etc.). The language we use to describe stories and films ('tear-jerker', 'feel-good') shows that even when we know a story is not true, the emotions generated can be real.

The leaders we spoke to gave examples of stories they told had which had a visible impact on the audience's emotions. James Sinclair told a story of his mother's resilience in the face of a debilitating illness in his TED talk on the importance of Bouncability and could see people in the audience getting visibly upset. Another leader recounts how he could see people 'puffing up with pride' in response to his story about how impressed a competitor was with one of their products (see Box 2).

*'Empathy is a powerful and underutilized emotion in business. If you want to influence someone's decision, find out whom that decision will affect and generate empathy through a story.'* [52]

Evidence for the persuasive impact of emotions generated by stories is abundant in the charity sector, where storytelling techniques are used to deliberately trigger negative emotions which can then be ameliorated by the action of donating [54]. Studies show that charities sending out donation letters pull double the donations when the letter is about one person compared with using facts and figure about many [27]. Similarly, Paul Zak found that people exposed to a story about a child with cancer produced cortisol, known as the 'stress hormone' and oxytocin, a hormone that promotes connection and empathy and makes us more generous and trusting. Later, those who produced the most oxytocin were the most likely to give money to others they couldn't see [60].

Chestek's research found that even judges and experienced lawyers find story briefs more persuasive than a pure logic brief. His findings suggest that the stories were preferred because they provided context and background within which to consider the legal arguments; they personalised the situation; and they evoked emotional responses that made the legal claims of the parties seem more 'real' and hence more believable. However, while most participants found the story briefs more persuasive, recent law school graduates, with less experience, preferred the logical briefs. Chestek suggests this may be because they think that's what 'thinking like a lawyer' means [10].

***'This story technique turns your ideas into their ideas'*** [52, p38]

Much of the storytelling literature also argues that stories are more persuasive than explicit instructions because through recreating the story in their imagination, the

listener follows the storyteller's reasoning and connects it with their own experience: *'The story is not perceived as coming from outside, but rather as something that is part of the listener's own identity. The idea becomes the listener's own.'* [16]

## Spin and Authenticity

*'Stories can't have a neutral point of view. Someone interprets the data and decides what story to tell. That still happens in other forms of comms [communications], but is perhaps more explicit in a story.'* [54]

Stories can be malign or benign. Their ability to draw us in and engage our emotions means they can be seductive and manipulative. Mac Macartney argues that we are drawn to stories in our search for meaning: Jeremy Corby's story of a new politics of integrity; the Islamic State group's story of the oppressed, the righteous, standing in the face of the decadent and the immoral; France's story of Liberty, Fraternity, Equality, of taking to the streets and not staying at home, all attract passionate followers.

The skills of the storyteller combined with the listener's desire to believe in a story can be strongly persuasive. Stories draw us in, engage our emotions and appeal to our desire for meaning. Yet when storytelling is viewed as 'storyselling' or 'spin' people will react with suspicion and cynicism. And there is more to leadership than just a story. If over time we find the story was false, that it was used to manipulate particular behaviours or we feel the storyteller compromises on the story, we lose faith in it and view the storyteller with mistrust.

*'What makes it not manipulative but skilful is the intention that sits behind it and the values that sit alongside that.'* [SLI]

Ultimately leaders need to genuinely believe in and live up to their stories or they will be met with disbelief and cynicism. Those who are seen to be simply recounting the official narrative or attempting to manipulate behaviours will at best fail to engage the feelings and imaginations of others and at worst engender mistrust, scepticism and disengagement.

## Facts and information remain important

The case for the power of a story to persuade does not argue that other modes of communication and information have no place or are of no interest or relevance to employees. Sometimes we may hear a story and wonder, 'How representative is that?' Facts, data and logical reasoning have a critical role to play in effective decision-making. They can also be persuasive. For example, a figure showing the high cost of absence may shock an organisation into action. However, stories can bring facts to life and put information or concepts into a context that is more meaningful for the audience.

*'Some people respond very strongly to the evocation of a picture that inspires them. For others, it touches them but unless it is supported by the feeling that the speaker has their feet on the ground, is speaking from experience and ...is someone whose authenticity they can trust, they will withhold their wholehearted engagement. There will be some for whom any information unsupported by fact is weakened. So we are all different... All I know is that quantifiable information is not enough to bring people round.'* [SLI]

## People respond differently

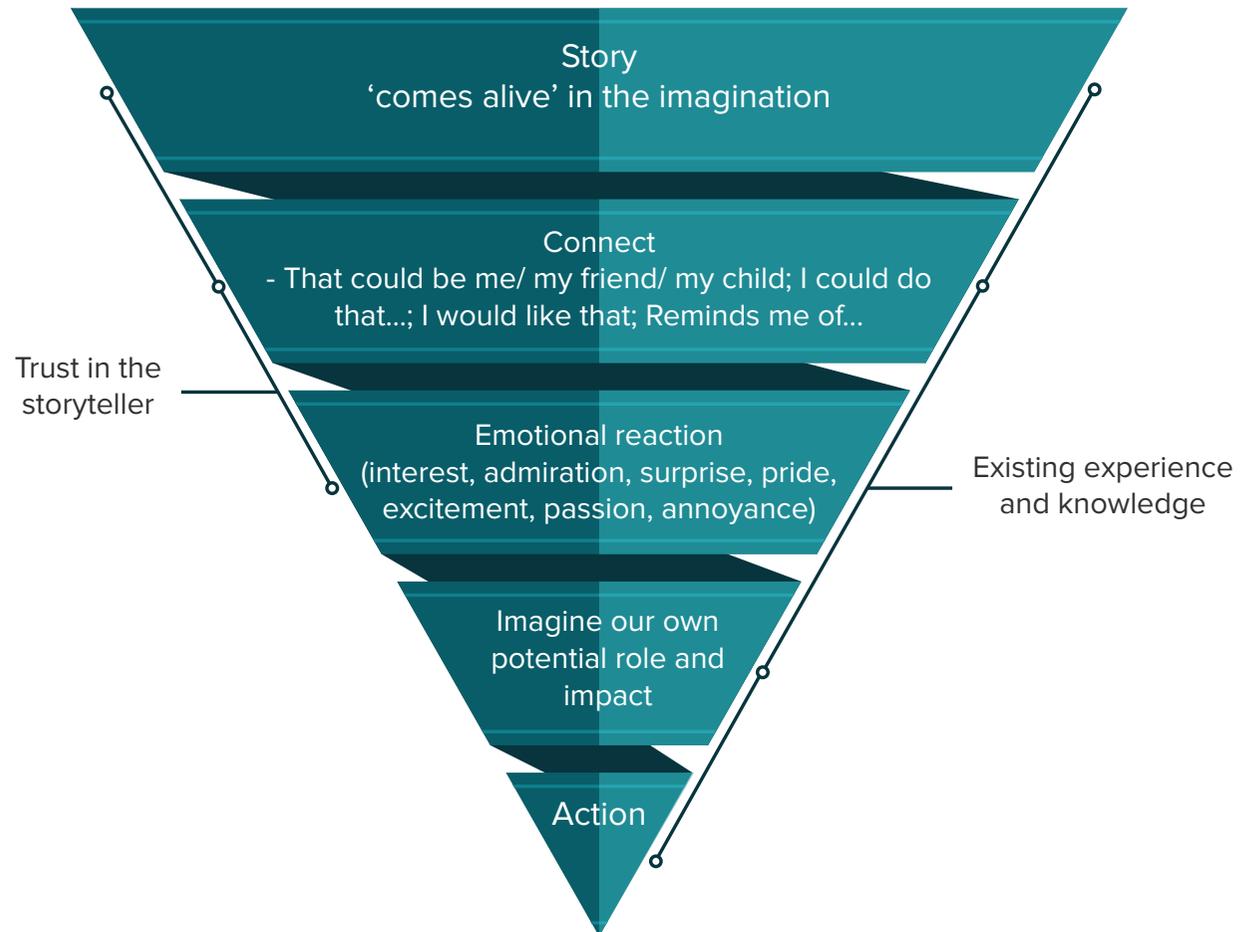
While Chestek's research confirms that stories are usually more persuasive than logical argument it also shows that some people (at least at some stages of their life) find logical arguments more persuasive than story [10]. Story is not a panacea. Other factors, including trust in the storyteller and how the story confirms or contradicts our existing knowledge and experience, will influence how persuasive it is. Even when we believe in the message of the story, whether we act on it will also depend on the extent to which we can imagine our potential role or feel our actions will make a difference.

*'For some people a story can be the catalyst that ignites action. For many it will be something that sleeps dormant in their subconscious which then awakens when the story connects and fires that which was sleeping. For others something happens and then they forget, until the next time. All depends upon the mysterious incubation of the unconscious and that which is awaiting the invitation to take a next step.'* [SLI]

How often do you attempt to appeal to people's emotions in your efforts to influence behaviour?  
Do you genuinely believe in your story or message?

When do you give instructions? When might sharing a story be more persuasive?

Figure 3: The persuasive power of stories



## Part 3: How and when stories can make leaders more effective



The range of uses for storytelling is only limited by our own imagination and the willingness to take the risk of trying. [4]

Recent literature, both academic and practical, describe a huge potential range of applications for storytelling within organisations including enhancing the leader's image, planning and communicating strategy, defining corporate values, shaping corporate culture, problem solving and decision-making, managing diversity and inclusion, encouraging creativity, training and development, coaching and feedback, capturing and sharing knowledge, building relationships and fostering collaboration, resolving conflict and facilitating change.

In this report we focus our discussion on how stories can be used to address some key leadership challenges:

1. Building credibility and trust in leaders
2. Developing a shared understanding of an organisation's purpose and vision
3. Developing strategy
4. Stimulating engagement and genuine commitment
5. Managing change
6. Influencing behaviour, values and culture

## 3.1 Building credibility and trust

Research shows that people are more likely to follow leaders they trust and believe in [19] and that people are more likely to trust people that they know than people that they don't [45]. Trust is also a prerequisite for genuine interactive dialogue and exchange of ideas.

The very process of storytelling can help build a connection between the storyteller and the audience. Rather than look at a PowerPoint presentation and scribble notes, when someone tells a story the listener pays them attention; they look at the storyteller and listen. All the leaders we spoke to use personal stories about themselves to build credibility, relationships and trust.

### Stories can establish credibility

Stories can help demonstrate a leader's legitimacy through revealing the experiences and lessons that have shaped and prepared them for their role.

*'I often use my own stories about my own underlying experience, which is important to get trust. Then people feel you have experience and know what you are doing and how you have addressed similar issues in other organisations.'* [SLI]

Denning argues that personal stories can also be more effective than arguments in demonstrating a genuine understanding of the issues and challenges faced by employees in the organisation [13]. One of the leaders we interviewed, however, points out that care needs to be exercised in assuming you know the issues faced by employees in other roles, even when you have had their job in the past, because things 'move on' and change.

### Stories can demonstrate a leader's values and passion

Connecting employees with an organisation's vision and strategy is easier when they believe that the leader is genuinely committed to it. Personal stories about who you are, what you believe, why you do what you do, can reveal a leader's passion, commitment and belief in an organisation's vision and strategy. James Sinclair, for example, tells stories about his challenging childhood, to emphasise why he is so passionate about the value of fun and laughter (Case Study 3 on page 30). Others share stories about how they themselves prioritise and make time for customers, how they have demonstrated trust in a team member, why they believe their work has value.

*'In the early days of my business I had a moment of desperation. I had problems with my team, cashflow problems... I thought 'what have I created, I'm not seeing my kids, my wife, I'm working all hours.' I walked out of my office, went home, went to my office and searched for help. I met Lucas, [an Action coach] and it was a life changing experience for myself and the business. Without this I think I would now be divorced and my business would be a fraction of the size. I became a part-time coach myself and I tell this story to others to show them what is possible through coaching.'* [SLI]

### Stories can reveal a leader's humanity

Stories can also create a sense of intimacy or connection that is absent from standard forms of corporate communication. This helps reveal leaders as people with values and experiences others can identify with, rather than just 'bosses'. Through developing such connections leaders become more approachable and are perceived as more 'genuine'.

*'You've got to share a piece of yourself if you're going to get engagement and a connection with people. Every time you talk about business issues and strategies it needs to be clear that you're with them on the journey. You need to personalise this from your own perspective. So if I'm talking about change or the crisis, I talk about what I see in our community, my family life, to demonstrate I have many of the same worries and concerns.'* [SLI]

At the same time, leaders are clearly selective about which stories they tell. Some of their life experiences will be very different from other employees.

*'Some of my travel comes with great perks, for example, eating in amazing restaurants. When I'm telling stories of my trips I tone that down to an audience of junior staff because I don't want to demotivate them by highlighting things I can do in my life that they can't do in theirs.'* [SLI]

**‘When leaders tell stories that reveal their fallibility, they paradoxically raise their credibility.’** [33, p30]

Storytelling experts such as Stephen Denning argue that telling stories about mistakes you have made and what you’ve learnt from them can have the paradoxical effect of building trust and encouraging openness as they demonstrate humility and humanity [14].

*‘Questions [at employee communication meetings] give you the opportunity to share stories of what went wrong and what went right to make sure you don’t lose that connection, so it’s not, “Hey, you’re the big guy, trying to do the big deal,” but actually you’re the same as everyone else.’ [SLI]*

Failure stories can also be inspiring to aspiring future leaders. They show that although a leader has made mistakes, or perhaps because they have learnt from their mistakes, they have managed to progress to a senior position.

## The risks of telling personal stories

### Vulnerability

Auvinen and Blomqvist propose that in revealing themselves through personal stories, leaders demonstrate trust in listeners which can ‘provide the first step in a continuous, co-operative trust-building process.’ [2] But other research suggests that not all people are comfortable with the risks around personal exposure, likening it to ‘sticking your neck out’ and ‘the dangers of revealing your true feelings.’ [54] The leaders we spoke to did not all relate to this sense of vulnerability, (‘as a leader you have to take risks,’) although some were clearly selective about what stories they shared and with whom.

*‘I tell more personal stories with my team than with a large group. I use them when I know people reasonably well, when there is a degree of trust regarding how they will interpret and use what you say. In a large group you don’t have that personal connection so it’s more challenging.’ [SLI]*

### Authenticity

*‘All leadership begins with having to deal with cynicism and scepticism because we have been taught to be cynical and sceptical.’ [SLI]*

Leaders do not operate in a vacuum. Leaders do not only tell their stories but stories are told about them, as heroes or villains. While they can be selective about which stories they themselves tell and which parts of themselves they reveal, they have less control over the stories that are told about them.

People also differ in how they interpret stories. Their reactions will be influenced by their previous experiences with that leader as well as with others.

*‘I recently listened to a leader tell their story. He told stories about his family and experience, which offered insight into his personal life, his values, how he had learned from failure and success and then how these linked to the organisational issues at*

*hand. I looked around the room and noticed the audience was rapt. They’re listening intently, laughing at his self-deprecating humour, seduced by the skill of this storyteller. Afterwards through conversations with others, I find overwhelmingly positive views regarding his contribution. They felt that this leader ‘had a clear vision’, ‘knew what they stood for and why’ and ‘knew where they were going’. My own thoughts on his contribution were slightly more muted. Undoubtedly he is a skilled storyteller but I had heard at least two of the stories before. I also know other stories about this leader which challenge the congruence between what they said and how they acted or have acted in the past. This makes me question their authenticity. Are they too good to be true?’ [47]*

Stories can help create connections with people, but ultimately trust will be shaped by the perceived congruence between the stories told and the leaders’ behaviours.

*‘Any leader who has no sense that the kind of car they choose, where they park, how they dress, the manner in which they interact with people of different social standing, where they eat lunch, the language they use, the millions of small interactions – if they don’t understand that in all of this they are telling a story, they walk blind.’ [SLI]*

Figure 4: Building credibility and trust



What experiences and events have prepared you for your current role?  
Do you share them with others to enhance your credibility?

What behaviours and values do you think are important in leadership?  
Can you think of experiences and events that shaped those values?  
Do you communicate them?

Why do you believe your work has value? What circumstances or events shaped your beliefs? Can you think of a time when you felt particularly strongly about the value of your work? Do you share these stories in a way that demonstrates your commitment and belief in your organisation's mission and strategy?

How much of your humanity do you reveal at work? Do you admit to having made mistakes or having struggled with difficult decisions? Do you share these stories and your learning from these events?

Consider yourself from an employees' view. What stories about your beliefs and motivations would they tell from your actions, your words and the stories they hear from others? Would they perceive congruence between your actions and your words?

## 3.2 Developing a shared understanding of an organisation's purpose and vision



The most important thing for a CEO to do is to provide a coherent, compelling strategic direction for the company, one that is understood by everyone who has to contribute to its achievement. For that, a story must be told. [55]

The storytelling literature argues that stories are critical for developing a shared understanding of an organisation's purpose and vision for the future. Carriger's research (see page 10) confirms that using a story to communicate strategy can result in a clearer, more consistent and confident understanding of corporate strategy than relying on bullet points, facts and figures [8, 9].

### Stories can help create a credible and achievable vision for the future

Stories provide the 'why' as well as the 'what'. Stories about the past (why the organisation began, the challenges it has overcome, how it has adapted to changing circumstances) and the present (concrete examples of helping real customers, meeting real needs) bring mission, strategy and vision statements to life in a way that engenders a clearer understanding and a real sense of purpose.

*'It's important to give people a connection to the past so they feel like they have more than just a job, and instead feel like they are part of a mission' - Jim Parker, CEO, Southwest Airlines [39]*

Boal et al., argue that through making sense of an organisation's journey to where it is now, stories can help create a legitimate, credible and achievable rationale for a vision of the future that employees can buy into [5]. Vermeulen makes a similar point. He argues that if a business strategy story is to be credible it must explain how the choices made by the company's leaders and its unique resources give the company a competitive advantage in an attractive market (Box 5).

#### Box 5: Making the story credible through explaining choices

As CEO of Hornby, Frank Martin, orchestrated its revival by turning it from a toy company into a hobby company. His strategy story focused on making perfect scale models for adult collectors that appeal to some sense of nostalgia. Hornby had unique resources – an iconic brand and design capability – but couldn't compete with the cheaper Chinese toy manufacturers. Focusing instead on adult collectors, for whom the well-known Hornby brand has a nostalgic appeal and who happen to be an affluent and growing segment of the market, the choices in his strategy story made sense in a way that everyone could understand. [55]

Do people pay attention to your vision? What makes it worthwhile? What stories could bring this to life in a way that is meaningful to employees?

What makes your strategy credible and your vision achievable? Are there stories that demonstrate the strengths of your organisation, how it has adapted to previous challenges, or how other companies have achieved similar goals? Bringing these stories to life will have more impact than simply saying 'X did it so we can too'.

## 3.3 Developing strategy

Stories are useful not only for communicating a coherent and compelling strategic direction, but also for developing strategy. Organisations have found that using stories for strategic planning can help develop consensus, ensure goals are achievable and generate excitement, passion and commitment.

### Developing consensus: The Saturn Corp.

Harburg describes how in the early days of The Saturn Corp, there was great internal and external opposition to the existence of the company and its very survival was in question. *'In that environment, we called together the key stakeholders and our most senior leaders .... We captured, both verbally and pictorially, in a wall-sized mural, the story of how we arrived at our current situation, the rationale for our existence and the purpose for the company. Despite heated differences, the sense of passion and purpose in the story worked to unify and energize our efforts. It placed all of us on common ground and propelled us to create a shared path to a productive future.'* [24: p14]

### Ensuring the strategy is achievable: 3M

Over the course of several years overseeing strategic planning at 3M, Shaw (then executive director of planning) became increasingly aware that their business plans failed to reflect deep thought or inspire commitment. They were usually too general to be clear and left critical relationships and assumptions about implementation unstated. After critiquing hundreds of plans he found that the narrative form, whereby you set the stage (define

the current situation); introduce the dramatic conflict (the challenges that the company faces in that situation) and reach resolution (set out how the company can overcome obstacles and win), was far more effective.

He found that using a narrative format in the planning process forces assumptions about cause and effect to the surface and reveals flaws that can be corrected. He argues that using a story format not only helps clarify the thinking behind the plans, but, through presenting a richer picture of what the goals are and how to reach them, is more effective at capturing imaginations and the excitement of people in the organisation [49].

### Incorporating employees' stories to develop strategy and engagement: LifeScan Canada

Baker reports how LifeScan Canada enhanced the impact of its brand positioning and strategic vision by asking its employees to contribute to them before they were set in stone. *'Through an online StorySharing session that all employees were invited to participate in, they presented the core concepts that were emerging from their strategic planning efforts and asked participants to identify ways those concepts were currently coming to life and ways they could more effectively come to life in the future. The result was not only a deeper understanding of these concepts (because employees could connect them to the current realities of the day-to-day operations of the company and their own experiences), but also a wealth of innovative ideas to be considered for the future.'* [3: p26-27].

Who contributes to strategic planning efforts in your organisation? How might sharing stories encourage different factions to 'walk the same path'?

Does your strategy provide a specific context and make assumptions explicit?

How could you invite stories to clarify how the strategy might come to life, or what might impede it, in day-to-day operations?

## 3.4 Stimulating engagement and genuine commitment

Stories are argued to be far more effective at inspiring motivation and commitment than a general mission statement or logical reasoning because they bring the organisation or customer to life and appeal to emotions. Gifford et al., found that to feel fully engaged with their organisation, employees need to feel pride in what it does and achieves [20]. Stories of real customers, their needs, why they use the company's products/ services, etc., can help garner this pride through showing in a very tangible way how the company contributes a valuable, good quality service or product. Similarly, stories of how well the company supports employees can contribute to feelings of pride and commitment. Case Study 1 on page 23 and Case Study 3 on page 30 show how The Department for Work and Pensions (DWP) and The Partyman Company regularly generate and share stories to ensure employees are continually reminded of the value their work brings to real people.

When people connect with an organisation's purpose at a personal level and find meaning in their work discretionary effort increases [29]. In the latest Roffey Park Management Agenda survey [36], the most common response to a question asking 'What motivates you at work?' was 'the opportunity to make a difference' (by 85% of the 933 respondents).

*'People are drawn to stories that make them feel good about themselves, they search for a story about how their lives can have meaning and value. Through stories, leaders tap into this deep longing we have for meaningful work. When that happens we unlock the discretionary part of what people can give if they so choose. That which cannot be bought, no matter how much you pay. If I can tap into your imagination, your deeper longing, you will give more than I can ever hope to pay you for.'* [SLI]

Engagement not only requires that employees understand and agree with a credible and achievable purpose, but that they can see their part in the overall objectives [20]. Stories can provide a context or scenario for a vision in which the audience can see themselves and imagine their own role in bringing it to life.

Regularly sharing employee, customer and other stories about how the vision comes to life maintains a real focus on core objectives, encourages ownership of the vision and reenergises people's commitment as they see what is being achieved. Hearing other people's stories can provide connections that stimulate individuals to imagine how they could or do contribute and make a difference.

### Box 6: Everyone is part of our value proposition

A couple of years ago I went to see Manchester United, with a group who were interested in how they market in Asia. We had the opportunity to look around the pitch, see the football boots. I met an old gentleman from Northern Ireland, fairly well into his 70s, who was the man who brought the cup out onto the pitch. They actually had the premiership trophy there and the European cup trophy, incredibly valuable trophies. He said his job is to mind the trophies and polish them. I asked, "What happens if you don't win, if next year you have no trophies? Where does that leave you?" He said, "Well the year after I'm part of the team that wins them back again." I retold this story at a meeting and it had a bigger impact than I expected. It's been played back to me a lot of times particularly [by people] who are trying to get across the message that where ever you are in the process you're part of the value proposition, whether you're polishing the cup or cleaning the cupboard. [SLI]

## Case Study 1: Engaging employees – ‘The Department for Work and Pensions (DWP) story’

Based on an interview with Martyn York, Leadership Strategy and Development Consultant, Simon Lewis, Principal Consultant, Organisational Design and Development, and Helen Pickles, Deputy Director HR

The first DWP ‘story event’ in 2011 was intended to be a one-off to engage and inspire employees in their work and encourage the disparate parts of the organisation to work more closely together under one structure. It was the initiative of Robert Devereux, who had rejoined DWP as permanent secretary in 2011, charged with implementing both huge budget cuts and an ambitious programme of policy and service delivery reform.

Four thousand people attended the two-hour event, which set out to tell the story of what DWP was about, their successes, where they were headed and what they would need to do to get there. It was clear from the feedback that the event not only had a powerful impact in terms of communicating and engaging people with the organisation’s direction but that people also valued the involvement and opportunity to engage with senior leaders.

The event had so much impact the organisation committed to repeating it on a regular basis. A committee of director generals and directors, along with the permanent secretary, have continued to organise three story events each year.

### Bringing the organisational purpose to life

The DWP story is focused on the customer, ‘*how we’re changing lives every day*’, and the events set out to enhance the emotional connection with the customer. They have used videos of real customers telling their stories and facilitated scenarios for the audience to experience DWP’s services from a customer’s perspective (e.g. through bringing iPads to the events so people can access the universal credit system and real-time on-line chatrooms).

### Bringing the future to life

The story is also very focused on how to take the organisation into the future. DWP is implementing a considerable change programme and the story events have proved to be a good vehicle for communicating ‘*what our future holds, why we’re doing things the way we are, what it means for people and how they can engage and help shape some of the change that directly impact them.*’

The events also help bring the future to life in a tangible way. For example, the iPad experience (referred to above) was not just used to increase the customer perspective, but also to demonstrate the future, as part of their need to take more advantage of technology: ‘*This is what the future is, this is what’s coming, this is where you need to start thinking big for your team....Digital is not a big scary word we use across government, digital is something that we do.*’

### Renewing and adapting the story

To decide on the ‘story arc’ for each year, the committee meet different representatives throughout the organisation. They agree the high level themes with the permanent secretary and then work out in detail the first story for the year through engaging with people in the relevant areas.

*‘This year we knew we had the election halfway through, so our first story covers before the election with the last government, what have we achieved? The second story focused on the new government; let’s introduce them, what we know about them and where they’re going. For the third story, we look at engaging people with other themes going on towards the end of the year. We look at what’s going on over the year, how are we going take people on the journey so when we get to the end of the year we can look back and see all the things we’ve done and know where we’re going.’*

### The process has become increasingly participative

Feedback from previous events helps the committee identify the areas they want to include in the next event. ‘*People tell us, “we would like to see more of this or we would like to see more of that.”*’ The events have also encouraged people to come forward with their own stories they want to tell: ‘*They say, “We haven’t appeared in the story for a while, we’d like to tell a story about what we’re doing.”*’

The events themselves have also become increasingly interactive, as the organisation has learnt from the process and feedback: ‘*We are still a bit presentational but now it’s more interactive; discussing the story of DWP, who we are and where we’re going. We get people’s contributions so they feel a personal connection.*’

### Changing the method of delivery to suit the story

*‘It depends on the story that you’re giving as to which is the best method of delivery. It’s not always right to have one format.’*

In the last couple of months DWP have used a different method of delivery. They wanted to communicate more directly and interactively with a larger proportion of the organisation and tailor the story to the particular circumstances of different groups. ‘*We need to talk openly about [the implications of the latest budget]. It didn’t feel right to expect it to cascade down.*’

Instead of holding an event, the most influential senior leaders went out to sites and talked to groups of fifty people at a time around their desks, reaching 30,000 people in two and a half months. ‘*They spend about ten minutes telling the story of how we’ve just been through the latest spending review, they talk about the bigger plan, how that fits into our vision, how we are on top of it. Then they ask*

*“What concerns have you got?” and move into twenty minutes of questions and answers.*

*...It's a very hard story we're telling there; technology's changing, our business is changing, customers are changing, potentially your offices will be changing, the work that you'll be doing is changing. But there does seem to be an overwhelming respect that senior people are going out and doing this.... We try to balance [any difficult message] through our core focus on the emotional connection to the customer and celebrating success.'*

### Assessing the impact

Most of the feedback DWP receives from its story events and sessions is extremely positive. Part of this stems from the value people attribute to someone coming and talking to them. Employee engagement scores have also improved dramatically since the events began, despite the considerable changes the organisation is undergoing. People like their line managers, feel their leader has a good understanding of what they do, they like the way the department is being led and they like the way it is managing change.

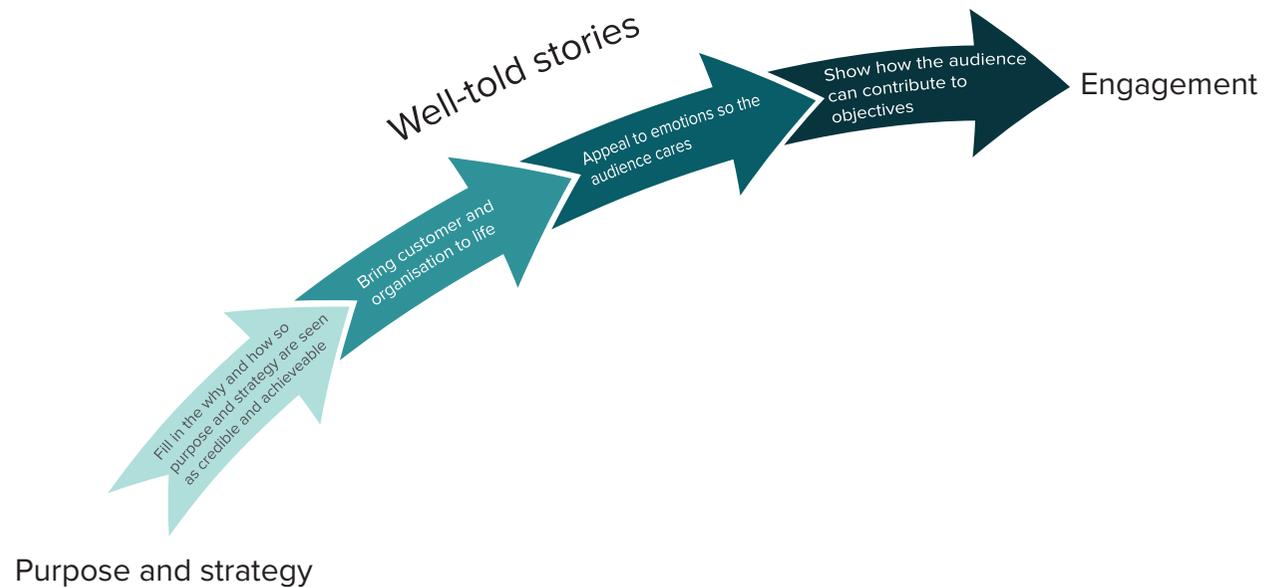
How, and how often, do you share tangible stories of how the organisation is achieving its goals, how it makes a difference to real customers, how it accommodates the needs and wants of employees and other stakeholders?

Do you share stories that help employees understand the customer's needs, why they use your products, services etc. ?

Do you frame your plans for the future in a way that provides enough detail and meaning to generate enthusiasm?

Does your vision provide a context or scenario in which employees can see their own role in bringing it to life?

Figure 5: How stories can promote engagement



## 3.5 Managing change



Stories can bring to life a possible future that has real meaning for employees. [SLI]

Just as stories can encourage employees to buy-in to an organisation's vision and purpose, so they can be used to illuminate the reasons why change is required and stimulate people to think actively about the implications of change, including what's in it for them, and 'see' themselves as part of the process. Through stimulating people's imaginations and emotions, stories can help overcome people's fear and resistance to change. They can remind people of other times they have overcome obstacles and managed change.

### Box 7: Understanding the need for change

When I joined the organisation there was a belief that, as a company, we 'punched well above our weight' – that was the expression that was used all the time. The reality was that the company was failing. I needed to get that message across in a non-threatening way so that people could understand if they changed what they were doing there would be a different outcome. We used a story of a sandwich shop. Most people go to big chains at lunchtime for their sandwich, but the real quality and loyalty is with the individual sandwich company that makes your sandwich or baguette there and then, tailored to your exact needs. We wanted people to understand we weren't competing with the big players but needed to be more like the small sandwich shop. [SLI]

### Reducing the threat of an unknown future

*'Stories help employees to see continuity in the face of change and make the radical seem more doable.'* [5]

#### Box 8: Overcoming fears

I have worked on several big restructuring projects and often you have big groups of people who will work themselves out of a job. It's very important to be upfront about this; that they will be out of a job in typically five years. You can tell them what support there will be, remuneration packages, etc. But when you have been through this before you have the advantage of being able to tell people the stories of what happened previously. I have some very positive stories, from luck or circumstances, of many people who have done a good job in the restructuring and developed 'second CVs'. So they may have had a normal banking job and then worked on solving some big problems and developed new skills in the restructuring. That makes them more attractive in the workplace, which I can 'prove'. That is an important story to tell people who might be sitting there thinking 'Gosh, I won't have a job'. It illustrates something they can believe in. They will develop new skills and experience that will help them get a new job and have the money [from the remuneration package] to give them time to get a new job. [SLI]

Stories can reduce the threat of the unknown and inspire confidence in a better future by demonstrating what has happened to similar people in similar circumstances. They can illustrate what's in it for them. Case Study 2 shows how Bob Brannock made use of stories to encourage commitment and retention through the sales process of the company to AXA. He used stories to take away some of the fear of uncertainty (through relating stories of his own experience of working for companies that were sold) and linked them to a powerful metaphor ('Look over the wall') to encourage people to stay and find out for themselves what the future held. He also told stories of the process to keep them informed (and to relieve potential tension through recounting some of the funnier stories from the process). In addition, he introduced people from AXA who told positive stories of their career development within AXA to illustrate the potential benefits of the change.

## Case Study 2: Using stories to maintain commitment during change - Genworth Lifestyle Protection

Summarised from an interview with Bob Brannock (CEO Lifestyle Protection at Genworth Financial)

When you go through a big change like selling the business, one of the key concerns is that you are going to lose some of your key people through the approval process. It's a vulnerable period, the head-hunters know your people might be available and your people think, "Well, maybe I should move." They are not sure if they'll like the new set up.

### Using stories that repeat a strong and memorable metaphor

Our mantra has been, "Just stay a little while longer". We try to evoke an image of a person who comes to a point in their life, where they're not sure if it's an opportunity or a risk. We say, "You've made it this far, aren't you better at least looking over the wall and seeing if you like it or not, rather than running away at this stage."

Three times in my career, I have been in organisations that have been sold. I tell them the stories of what happened to me. They cover different stages of my life, different things happened and it meant different things at different times, but the essence of all the stories is "just hold on a little while and look over the wall".

People really picked up on this 'Look over the wall' image. Everywhere people said, "We just have to wait and look over the wall."

### Using stories to clarify the future

I worked in GE before Genworth was sold off. So I can tell credible stories from my experience of what it is like to work in a larger organisation, how the structure works, the advantages of having different specialities that, independently, we wouldn't be able to have.

### Using stories to map and convey the credibility of the sales process

In the last three months, the head of AXA and I have visited twenty countries for meetings with managers and everyone in the branch. We tell the story of the process, how we started, what we wanted, who was interested [in buying], how we narrowed the process down, the reasons why AXA came out on top and my delight in that and why. People like to hear the funny stories from along the way. We talk for twenty minutes and take questions for an hour. Responding to the questions I am able to share personal stories, to maintain the connection that I have many of the same concerns as them, (for example, 'Do I still have a job?') and about what went wrong and what went right.

### Using stories to show a desirable future

At these meetings the people from AXA talk about their careers within AXA, (they've been with them for 25 years), why it's a great place to work, their investment in people. Their stories reinforce the message. We're joining one of the most respected insurance companies in the world, it is likely their vision and their way forward will be really good for our people.

### Understanding the impact of the stories

It's always tricky to know how the stories are getting through. However, despite the uncertainty of the sales process our engagement scores have improved. Telling stories is not the only part of this, there has also been a big focus on increasing the frequency of communication and encouraging people to ask questions to reduce uncertainty. And before the sales process the organisation had made a conscious decision to prioritise engagement through a range of initiatives. But the feedback has been great. By the time we got to Sweden and Norway they had heard the message through the informal channel. People appreciate the commitment.

## Engaging employees in the process

Beamish and Beamish assert that encouraging employees to tell their stories is 'a powerful way of engaging people in the change process, decreasing fear and increasing their sense of involvement' [4, p 193]. They report that storytelling with illustrated billboards helps people articulate and map the fears they have at various stages of the change process, adding the next chapter through a story that defines their fear or creating a scenario where the opposite of the fear is expressed.

## Stories alone are not enough

If people are to buy into an organisation's strategy or change programme and really engage with it, they need, first of all to trust the storyteller and the story. As we have seen in earlier sections of this report, stories are not only told through words, but also through actions. Genuine involvement in the process can help develop trust and commitment. Their previous experience will also have an impact on how receptive they are to stories for change.

One leader we spoke to gives an example of a company he is working with that is trying to change its culture. In a newer part of the business, located overseas, the new story is being taken up '*passionately*'. In contrast, there is more resistance in the older part of the business. '*The old guard who've been there a long time see the world in a certain way. They have seen it all before. It may be different this time but they are going to need a lot of convincing before taking the risk of letting go old assumptions and beliefs about how 'the world works'. The danger is, if the new story is yet another inauthentic and manipulative ploy it will eventually be revealed as such and another nail will be hammered into the coffin of the next dream. It will be just another story of broken trust and failed leadership.*' [SLI]

Are you confident that, with due process, the organisation can achieve the change? That it will have positive outcomes? Do you set out the context, the need for change and your vision of the outcome in enough detail to convince employees of your reasoning and share in your excitement?

Have you seen or heard about examples of change similar to that you want to bring about? If they were successful why? If not, why not, and how would your initiative be different? Would sharing these stories help alleviate any fear or uncertainty around your change initiative?

Do you share stories of how the change is progressing? Do employees share their experience and views of the change in a way that allows concerns to be aired, successes shared and the process to be refined?

## 3.6 Influencing behaviour, values and culture



An organisation's culture is defined by the behaviour of its members and reinforced by the stories they tell. [52, p68]

Stories have a powerful role to play in shaping corporate culture. They communicate and clarify which behaviours are acceptable and which aren't. Often people don't see what happens to other people, what they do or the consequences of their behaviours, but they hear stories about it. The stories shape the culture and expectations for others to follow. Stories that relate to a specific context, are often far more effective for influencing behaviours than a general list of rules or policies.

### Stories communicate how things are (or should be) done

Stories can help set the tone for the values and behaviours a leader wants to see within an organisation. They are an important way of communicating and reinforcing 'how things are done around here'.

*'We tell stories about the need for a sense of urgency. It signals that we don't want laid back people, we want people who are proactive and energetic.'* [SLI]

Stories can directly encourage or discourage certain behaviours by revealing the possible consequences of behaviour. Telling the story of what happened when someone took a risk and got it wrong is far more powerful than simply telling people to innovate and try new things.

*I tell the story of a time someone told me they'd made a mistake and it cost us half a million pounds. They said to me 'Have I still got a job?' And I said 'Of course you have, we've just spent half a million pounds training you'. It shows I look after people, that I think taking a chance is part of business, people know they don't have to bury their mistakes and it builds relationships.'* [SLI]

Sharing success stories can also inspire and motivate others. When Genworth LPI consciously decided to make the engagement of their employees a strategic priority, they made a big effort to share the stories of how they were doing this widely across the company. Through 'Dragon's Den' type competitions employees could put ideas forward about how they could improve their processes, products, etc., and 'win' the cash on the table for the organisation to invest in their idea. Sharing stories of this initiative and celebrating the success of relatively new and junior employees, not only demonstrated that the organisation was 'putting its money where its mouth was' but inspired employees to keep new ideas coming.

### Stories clarify what values mean in practice

Because stories add in context, they are more helpful than an abstract values statement at clarifying what values mean in practice and which behaviours lead to success or failure. Instead of saying 'treat customers with respect', telling a specific story of what that looks like in your organisation, what it means for people in a particular role, is far more meaningful (Box 9).

#### Box 9: Customer focus means calling customers promptly

*One of our complaints team had said they would call a customer back at a particular time. This customer wasn't allowed to have her phone on at work, so in her lunch hour she went to sit in her car and waited for ten minutes for the call which did not come. So she called me because she had my mobile number [from a previous conversation about her complaint]. I found out who she was expecting to call her, walked down three flights of stairs and tapped the person on the shoulder... She said 'I'll get round to it in a couple of minutes'. I said, 'No, you're going to get round to it now' and handed her my mobile.' This story sends a powerful message [and shows the inconvenience that ten minutes can cause from a customer's perspective]. It shows we don't think waiting ten mins after the allotted time to call a customer is acceptable. If I [CEO] can take the time to walk down three flights of stairs, you can make the time to call.* [SLI]

Because stories are specific and engage our imagination they are more memorable than a list of values, which, even if they are read, can often be so ubiquitous (treat customers with respect, value diversity, teamwork, open communication, commitment, etc.) that they receive scant attention. Stories can help us reflect on different ways of dealing with issues, particularly if we can identify on some level with the characters in the story and the situation they face.

### Box 10: Don't presume to empathise unless you're entitled to do so

*I was told a story about a fireman who died in 9.11 by the person dealing with compensation pay-outs. The fireman's father came in to speak with him and as he came to leave, he said, 'I really know how you feel.' The old man got very upset because he felt that he couldn't possibly. I use that story with operations' people to get across the message: when you're dealing with people who are in difficult situations with claims you need to be careful. You need the right attitude but you can't presume to understand. [SLI]*

## Stories guide behaviour in unpredictable scenarios

Stories also provide a guide for how to act in unknown and unpredictable future situations in a way that more general instructions can't cover. They are better at helping us cope with the complexity and messiness of organisational life, for example, in deciding what to do when two or more official processes, rules and values conflict.

One CEO tells the following story to illustrate the trade-off between short and long-term goals. *'I'm trying to inspire them to think beyond short-term metrics and really get to the heart of what drives long-term value in our business.'*

*'One guy came to me and said, "You know if you send these letters out [to clarify policies], people will start complaining and that will cost us a lot of money." I said, "Yes, that's what I want. Because if they complain it means they didn't understand their policy before. Which means at some point they'll realise their policy isn't behaving as they thought it was performing and at that time they are going to complain. So actually the quicker I get them to complain, the better it is. While it's illogical for short-term metrics, in terms of complaints and costs, in the long-term [for customer value] it's the best thing." [SLI]*

### Box 11: Real life calls for tough decisions

*I was told a story [by a person who was responsible for distributing funds following disasters] about a lady with three children whose husband had died in 9/11. He was said to be a great family man, a great Dad. The pay-out for all claims was formulised according to the nature of the loss, the number of dependents, etc. The amount for this case was 3.5 million. The next day he received a phone call from a solicitor who said, "Before you pay the money out, you ought to know this man had a second family with two other kids". He talks about the real ethical dilemma he faced. What should he do? Should he tell the ladies about each other and share the payment between them? In some cases there isn't a right answer. In the end he had the second family DNA tested to make sure they were genuine and paid the benefit out to each family, effectively paying it twice, rather than reveal the dead man's secret. It cost the state more money but he felt it was the right thing to do. He chose to keep the hero as a hero.*

*I have told this story to people who work in risk and operations where from time to time they might have to make such a call. It shows that in business life and personal life things are often not simple but you have to make a call and not everyone might agree with it. [SLI]*

## Stories can be less threatening than direct feedback or instructions

Telling a story can be a powerful way of dealing with issues that are difficult to address directly. Talking directly about values, beliefs and attitudes or offering critical feedback can increase tensions or put people on the defensive. People are often more open to learning from a story because stories can address the issue without blame or judgement.

Working on some major bank restructuring and change programmes, Jan Kvarnström finds it helpful to use a film to illustrate how groups can drift, step by step, into cultures which are unhealthy. *'It helps to illustrate [because people can draw parallels with their own situation] but it isn't personal.'* [SLI]

Similarly, people often resent prescriptive instructions but respond positively to advice that is presented in the form of a personal lesson learned through experience.

*'One of our star performers on our graduate programme, has just taken on a new role. He has been trying to apply the same behaviours from his previous role to the new one and it's not working. I needed to give him some feedback. I told him of the time when I first moved from an operational role to more of a management role. ... it made the point that if you move from a to b and just keep doing 'a' behaviours, it causes a problem. It also gives a degree of comfort, that even though it happened to you, you still managed to progress and it wasn't career limiting.'* [SLI]

## The need for alignment

*'You say to someone that values and ethics are profoundly important. Then they look at how they are remunerated and see that the only criteria used in assessing performance are financial results. They know that you are lying.'* [SLI]

Of course, leaders are not the only people in an organisation telling stories about 'how things are done around here', which behaviours are rewarded and which are not. The values and behaviours leaders espouse must be consistent not only with those they themselves practice but also with those espoused and practiced by other influential figures within the organisation. For example, telling stories about valuing employees will have little credence and undermine trust if other stories are widely circulated about the bullying behaviour of another senior manager who is well rewarded within the company.

Organisational systems, processes and practices must also be in alignment with the values and behaviours leaders are trying to promote. Telling stories about the urgent need to innovate, for example, will not be taken seriously if there is a lengthy sign off process for taking new ideas forward.

## Countering negative stories

Leaders can make efforts to counter negative stories by finding examples of stories that embody the values and behaviours they want to see, celebrating them and sharing them widely. Again, however, perceived alignment with actions, policies and processes will determine their success.

*'Everyone tells each other stories all the time. These stories gather like snowballs. Something happens and the word goes out – "The directors are out of touch, the directors can't be trusted, the directors are incompetent, the directors are this or that." It's much better to get on the front foot and put out who we are and where we are going and to be truthful. These are our weaknesses, these are our limitations, these are the things we are going to address and this is how we are going to do it.'* [SLI]

## Case Study 3: Making storytelling part of the culture - The Partyman Company

Based on an interview with James Sinclair, CEO and Founder

*'I always tell stories. People engage more with stories than with facts and figures. If someone asks me 'have you ever lost money on a business? Has something bad happened?' I respond with a story. Stories are ways of getting people to trust you, engage with you.'*

### Stories start at recruitment

Stories are everywhere at The Partyman Company. Even at the very first stage of recruitment, the organisation asks specifically for people's stories: A situation in their work or personal life when they took the initiative to make something happen; a time when they solved a problem and how, etc. Their website specifically instructs potential job applicants not to tell them about their qualifications: *'Tell us only about YOU. Qualifications don't bother us, passion and dedication does!'* [59]

As an organisation in the entertainment industry whose vision is to deliver a great customer experience with brands that families love, they recruit on attitude rather than skill sets, and passionately believe that people's stories give them far more indication of whether a potential candidate has the attitude they are looking for compared with a list of information.

### The 'how' and 'why' story of the company

The story of the 'scrawny boy' who founded the company and why, is also well known across the organisation. James Sinclair wrote a book [51] about his experiences starting and growing the business, which all new employees are given and expected to read: *'It's all in there - what's been achieved and our rules for how we run the business'*. It is full of honest and simply told stories, many very personal, that explain how his values developed, his motivation for starting the business, why he is passionate about his vision and why he operates the way he does. As someone who started their career as a children's clown James is a talented actor, but he tells his stories, which cover difficult personal as well as business challenges, with sincerity as well as humour.

## Stories of continual learning

James continues to tell stories every day to motivate and inform. He strongly believes in the need to share the vision constantly to keep people engaged and motivated. He tells stories in a Monday morning email to all employees and continues to share stories of his learning publically, through his business blog on the Entrepreneurs' Network [58]. Stationary in a traffic jam, he makes use of the time to film himself reflecting on where he has been, what he has learnt and what he has been trying to achieve that week. The video story is an unpolished 'selfie', complete with several shots of his hand rescuing the recording device, but it reflects the value he attaches to sharing his experiences and learning with others.

## Employees' stories of bringing the vision to life

Employees within the organisation are also encouraged to share their stories, to reinforce the organisation's values, celebrate all it is achieving and how they, individually, contribute to that. As a forum for this the company has set up a 'closed' Facebook page for employees only. Every few months, the employees are asked to come up with a two minute video, a story of how they are implementing one of the four 'E's (Engagement, Enthusiasm, Entertainment, Experience) through which the business is trying to achieve its vision: How they've made a child's laugh, how they've made an adult laugh, how they've created an excellent customer experience, etc.

*'We create a competition between our different venues and it's not a competition on who's doing best financially, it's a competition on who's doing best on delivering our values. Who's delivering great customer service. It's so easy to make a short video now on your phone. It doesn't take long to do.'*

The stories are shared on Facebook and the winner receives a bonus or reward, such as dinner with the boss to discuss their future career.

## Sharing stories to engage staff, reinforce values and learn

The company also actively shares stories of employee success through other forums; management meetings, the team's Facebook page and at the annual Partyman awards, to which all employees are invited. *'A recent example is someone who started as a party host and is now a director, having been through a nine year development programme.'*

Customers' stories are also shared. They tell their stories via reviews, on trip advisor, etc. These are also widely communicated, to celebrate what is working well and learn from any negative experiences.

Think of the behaviours and values you want to see in your organisation. Can you think of a time someone exhibited that behaviour/value with a positive result? Or a time when someone failed to engage in that behaviour with a negative outcome? Do you share these stories?

How do you share and showcase employee/customer stories consistent with your organisation's values, mission and strategy?

What stories could you tell to demonstrate how your actions are consistent with the values and behaviours you want to see?

What dominant stories in your organisation are not consistent with the values and behaviours you want to see? Are they rooted in the past (how things have been done) or the present (lack of alignment)?

## Part 4: What makes a good story and a good storyteller?

In this final section we look at what makes a good story and what is required of the storyteller to tell it well. There is a wealth of literature that covers how to construct a story in considerable detail. Here we focus on the underlying fundamentals of good storytelling. We argue that to tell a good story you need first to be clear on the message you are conveying. A good story needs to:

1. Fit its purpose and be suited to the message
2. Draw people in and engage their emotions
3. Be relevant to the audience

We also review what is required of the storyteller to deliver a story well, and highlight the need, not just to tell stories, but to create opportunities to share and listen to other people's stories. We conclude by considering how the impact of stories can be assessed.

## 4.1 A good story fits the purpose

To tell a good story you first you need to be clear on your message and what you are trying to achieve. Hutchens [30] and Denning [15] outline types of stories that are appropriate for different situations.

Positive stories, for example, can be helpful for motivating people, i.e. this is how we are living our values, this is how we are meeting customer or employee needs. But positive stories that show the storyteller as a hero can come across as boastful or lack credibility, showing how things should be rather than as they really are. Failure stories, or those that acknowledge difficulties and struggles, can be particularly helpful for sharing knowledge or learning as people often learn more from failures than success. They can have the additional benefit of earning you respect and appreciation because they demonstrate humility and humanity that others can identify with.

Official stories, once they have been sanctioned by the appropriate authorities within the organisation, can often be so sanitised that they are unlikely to seem 'real' to anyone. If you need to tell an official story, find personal stories to illustrate and make it real and relevant for the audience.

### Having stories to tell

*'Stories are happening all the time and many people don't see it.' [SLI]*

Stories do not always have to be 'true' to convey a message but those based on real events and real people can often be more persuasive because they are perceived as genuine. Some leaders we spoke to felt their life experience had given them plenty of material to draw on for telling stories. Some deliberately seek out material for stories, for example, through engaging with customers and finding their stories to illustrate what the business does right or wrong; capturing stories that illustrate the company's values; or noting cultural differences when travelling that might enlighten employees.

Some authors recommend creating a story matrix or bank of stories that leaders can draw on for different purposes, looking online or elsewhere for stories where necessary [57, 52]. They argue this not only enables leaders to have ready access to stories but also preserves important stories so they don't get forgotten. But if leaders are to draw on the stories of others or borrow from well-known stories, they must ensure the story completely fits their message, rather than is a 'best fit' of the bunch. They need to personally connect with it, so they can tell it in an authentic way, in their own language. If the story is to engage listeners the storyteller needs to believe in the story and the message and feel comfortable telling it.

*'Leaders should never tell a story that they don't believe in.' [SLI]*

## 4.2 A good story draws people in and engages emotions

There is an abundance of literature which advises on how to compose and structure a good story (for some examples, see 30, 40, 50, 52). Ultimately how elaborate it should be will depend on the purpose. To convey a message it will, however, need to get and keep people's attention.

### Get people's attention

Starting with an interesting character or situation, a surprise, a mystery, a challenge, or a self-deprecating opener can help get people's attention and curiosity.

*'We tell a story of our famous customer, Elizabeth Taylor, which gets everyone's attention and interest. Then we reveal it's not that Elizabeth Taylor [the actress], but this Elizabeth Taylor [an elderly customer]. This is who she is, this is how we interacted and this is how we served her. We make it personal, bring names and faces to who we are serving.'* [SLI]

### Bring the story to life

Dialogue, analogies, metaphors, humour and even props can help bring a story to life and make them memorable. Including an element of surprise, unexpected turns or twists, can also be very effective at boosting attention. There needs to be enough detail to stir the imagination but not so much that listeners cannot translate the idea to their own context. The amount of description also needs to be balanced with action and drama to maintain interest in the story. Use simple language rather than corporate speak and keep it tangible and concrete so the story is memorable and engaging.

*'When talking about Native Americans, I can hear the drums, see the circle of dancers. That's so much of what a good story is, and it is this that takes people with you. It's the atmosphere, the context, the painting of the picture into which you place pieces. The amount of detail depends on how much time I have, the setting ... and the capacity of the audience to focus and concentrate. That is greatly influenced by the space you're in.'* [SLI]

### Engage people's emotions

The potential of stories to appeal to people's emotions is part of what makes them so powerful. This doesn't mean we have to make stories tear-jerkers. Stories can engage emotions just by showing how specific characters that the audience can relate to are affected by specific events.

### Do not ram the point home

A good story takes people on a journey through engaging their imaginations. If the story is good enough you won't need to state your point, the listener will experience the discovery moments in their imagination, think about what you have said and figure out the point independently. Schank argues, *'The more work the hearer does, the more he or she will get out of your stories.'* [48, p12]

## 4.3 A good story is relevant to the audience

It's not enough to tell a story about increasing margins or market share. The story needs to be relevant and meaningful to the audience. Annette Simmons (50, p15) writes, 'A CEO's vision to become a \$2 billion company in five years might get him up in the morning but it doesn't mean squat to his regional manager, sales people, or the administrative assistant down the hall.'

### Know the audience

Wentworth [56] gives an example of how an audience reacted with distress when they were told their company had been taken over through a merger. They had assumed, based on their previous experiences of change, that this meant their centre would be closed, even though there had been no indication that it would be. Knowing what has happened before, understanding fears and expectations, can help frame a story in a way that addresses concerns and makes more positive connections.

Understanding an audience's needs, wants and goals is also particularly important to motivate people towards a particular course of action or change their behaviour. The audience needs to know what they will get out of supporting your strategy or changing their behaviour, whether this is advancing their careers, satisfying their desire for meaning through doing a good job, helping a customer or making the world a better place.

*'It's much harder [to engage an audience] if you don't know them. You have to prepare and consider what is the interest of the audience. You might get it wrong so you have to look for visual clues.'* [SLI]

*'If I can I get there early, I meet people, talk to people. I [already] have a sense of who they are, which gives me a set of hypotheses which I can use, and as I speak I gauge the response to see if I'm on the right track. Most importantly I refer internally, because it is here that I will find sound guidance.'* [SLI]

### Adapt the story for the audience

*'The message is consistent. The imagery you might use or the stories you might tell, depend on who the audience is.'* [SLI]

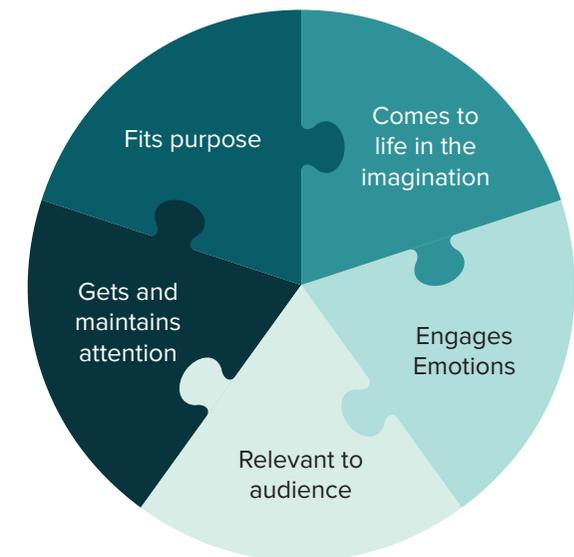
Listeners need to be able to identify with the protagonist, the context or the events in a story to identify with the message. The age, experience, motivation and interest of the audience will all have an impact on how they receive a story.

*'The story I use about Mac Maharaj [see Box 12 on page 37] would have less impact on younger audiences who know nothing about Nelson Mandela or apartheid. I wouldn't use the story in the same way.'* [SLI]

*'If we're dealing with actuaries we give more detail in our story, than if we're talking to people in marketing who're more interested in the concept ... You have to consider their intellect, interest and experience but you don't want to dumb down the message or concept in a way that patronises them.'* [SLI]

Case Study 1 also shows that the way stories are told (i.e. to a large or small audience, formally or informally) also needs to take into account the context and the message. It can be easier to tailor stories to specific circumstances when the audience is smaller.

Figure 6: What makes a good story?



## 4.4 The skills of the storyteller – How to tell a story



Some people I believe everything they say and others I think ‘well really?’ and I just switch off. It’s down to the person; how authentic they are but also how they deliver it. [SLI]

How much of the power of a story depends on the skills of the storyteller? One leader we interviewed suggests that *‘The messenger is more important than the message.’* Another argues, *‘No story is good enough without passion.’* Attention to and belief in a story is down to the authenticity of the storyteller and how they deliver it.

Telling stories comes more easily and naturally to some people than others. Practice and experience helps, as does feedback from professionals, coaches, mentors and peers. Acting tricks to convey conviction and passion - eye contact, posture, tone - can be learnt with varying degrees of success. Ultimately, however, the storyteller’s own belief in the story can be most powerful.

*‘You can get past a lot of technical incompetence with the sincerity of your words and the felt experience of truth.’ [SLI]*

Mead argues that if a storyteller connects with the story as they tell it, if they access and share the detail and feeling, their tone of voice and gestures will enable the listener to imagine it and experience it as real [40]. Mac Macartney makes a similar point but also emphasises the importance of connecting with the audience: *‘When it’s most successful is when I really connect with what I’m seeking to bring forward **and** to the audience.....The more I speak to people in a way that they feel is really direct and true and caring of them, not putting them down, the more they feel, the more their hearts will open and the more they will trust and open up to the questions I am offering. When people feel they are being met properly and respectfully by someone who is interested in them and their lives, they will open up.’*

Ultimately we need to find stories and ways of telling them that we are comfortable with.

*‘We don’t have to tell stories in the same way. We need to find our own way.’ [SLI]*

### Pace and pitch

*‘The right word may be effective, but no word was ever as effective as a rightly timed pause.’ (Mark Twain)*

Effective storytellers use pace to bring the story to life. They use pauses to give the audience time to reflect and make the important connection with their own experience and thoughts. They use tone to cue for what is significant, to make the audience sit up and pay attention.

*‘If I go a bit quieter, people have to lean forward. I use pitch to draw them physically towards me and they become more engaged.’ [SLI]*

### Box 12: Using pace to stimulate and engage the audience

From an interview with Mac Macartney

*I often tell a story about a time in South Africa, quite a few years ago. I met 'Mac' Maharaj, a companion and a colleague of Nelson Mandela. Mac was the leader of ANC groundforces in the bush. I don't rush that story because I know that leading people through the detail of the story allows people to settle into it, to sink with it, to become attentive to it. I'm pulling them close and bringing them into a state of greater readiness for the end of the story that has quite a lot of impact.... I know it will be more impactful if I work my way towards that line than if I just give it.*

*In that particular story, we asked Mac Maharaj what, in all his days of leadership, in working with people in situations where people were losing their lives and being tortured and all sorts of things, what attribute or quality did he think was most important in a leader, perhaps someone he would want as his deputy. He answered 'self-doubt'. I don't give the answer straight off. I get the audience to think. What would they say, if someone came to them and asked them the same question. Maybe one in a thousand would say 'self-doubt'. Ninety-nine out of a hundred will say self-confidence. Then I give the first part of the answer: 'Self..... [expectant pause], self .....[expectant pause], self...-**doubt**,' and then there's the reaction from the audience – 'Ahh!'*

*He said "I've had it up to here with leaders with no questions, leaders with no self-doubt, leaders who know what is right. You need to balance authority and confidence to lead, with the doubt that sits beneath that; that you're just a human who makes mistakes." Telling the story this way encourages people to think more deeply, particularly if you're working round to the thesis that self-knowledge, self-understanding, the journey of your own self-learning over a long period of time, is an essential requisite for a leader.*

Figure 7: An effective storyteller



## 4.5 Create opportunities to share and listen to other people's stories

Communication is most effective when it is interactive. Not only because we have to understand what motivates and inspires people in order to engage them, but because they have valid and valuable contributions to make. Discounting other people's stories excludes and alienates them. At the same time, don't ask for other people's stories and contributions if you're not prepared to listen and be influenced by their views. To paraphrase Roffey Park consultant Steve Hearsom, consulting on what is non-negotiable is dishonest, deceitful and kills trust and credibility [28].

Telling a story can be helpful for triggering others' stories. Stories can also be used to actively engage the audience and encourage interaction and feedback. Stories can be paused, to give people time to reflect and discuss what they would have done (i.e. to prevent a mistake, rectify it, deal with a tricky situation) or what they think happened next (Box 13).

### Box 13: Asking the story to develop strategy

Adamson et al., [1] describe how San Juan Regional Medical Center used storytelling to develop a new business model. But they didn't just tell the story; it was also asked. *'At each map icon, when some new challenge or initiative was presented, a series of small group discussions were held that involved every employee in the session in a deeper examination. Questions like, "Does this surprise you?", "How do you think this will affect us?", "Are we doing enough?" and "What else would you do?" engaged employees in strategy work as never before. And as word of the exciting work spread throughout the hospital, more and more employees wanted to be involved. In the end, nearly 70 percent of San Juan Regional's 1,300 employees attended the voluntary day-long sessions. Almost 900 distinct process, program, and facility suggestions were captured and then analysed, with approximately half of them implemented. All of a sudden, the connection between management and employee changed. Scepticism, fear, and apathy were replaced by understanding, excitement, and a sense of partnership. According to both soft and hard measures, morale improved, turnover plummeted, and employee satisfaction scores climbed dramatically. New initiatives were understood and embraced.'*

### Sharing stories to enhance understanding

Listening to others' stories on a regular basis creates a receptive environment for our own stories to be heard, and helps leaders to keep in touch with what is going on in the organisation. Mead refers to a client who always begins her management meetings by calling for a two minute story from each team member about a particular high or low from the preceding week. She reports, *'It's the fastest way I know to feel the pulse of my organisation'* [40, p269].

### Sharing others' stories to emphasise a message

Stories that come from employees, customers, or even competitors, can often be more powerful than those coming from a leader or corporate communication professional who may be seen to have a particular agenda (see Box 2: Emphasising the meaning of 'really good'). When employees or customers speak from their own experience, a message can really come to life.

## 4.6 Assessing the impact

At its best storytelling is an interaction. As with any form of communication it will be most effective when the storyteller seeks feedback from the listener or audience to check if they are engaged with the story and understand the message.

### Is the audience engaged?

When telling stories some leaders report they look for visual clues to provide feedback on how engaged the audience is.

*'I use my PA as a barometer. She tells me exactly what she thinks. If she's in the audience I glance at her as I can see from her face if she's bored or puzzled.'* [SLI]

### Do they understand the message?

Making time for discussion and questions provides an opportunity for the audience to reflect back what they have heard and put right any misconceptions.

Several leaders we spoke to also actively sought feedback from individuals, communication professionals or groups within the organisation to find out how the message was received. A good indicator that the message has been understood and accepted is when other people start repeating and spreading the message and it *'flies around the informal channel.'*

### Will they act on it?

The storytelling literature recounts numerous case studies and examples that show how stories have succeeded in bringing about desired behaviour change when direct communications and logical reasoning failed (for some examples see 40, 52). Our leaders also felt that stories had made a positive contribution to what they were trying to achieve but stressed the difficulty of separating out the impact of stories from other simultaneous initiatives and factors that shape behaviour. In some situations, indirect measures such as levels of engagement, team dynamics, etc., can be useful indicators but ultimately it is people's actions that determine success.

### Box 14: The question of impact

Fifteen frogs sat on a branch. Seven decide to jump into a pond. How many are left? The answer ....? 'We don't know.' There's a world of difference between deciding to do something and actually doing it... Only in your actions will we discover what has been taken from this experience of being together.

Story recounted by Mac Macartney

### To be continued...

Establishing trust, shaping behaviour, engaging employees, does not end with the telling of a story. It's an ongoing process that needs to be revisited and adapted to meet the requirements of the business and its employees. Stories can be powerful, not as an ends in themselves, but when they are part of how leaders communicate. Ultimately, they are most influential when other initiatives and actions are in alignment.

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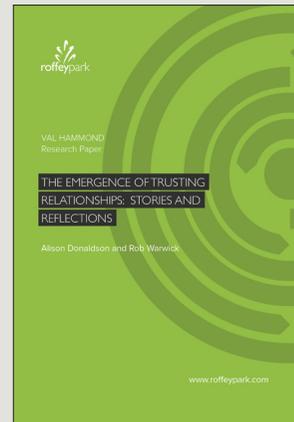
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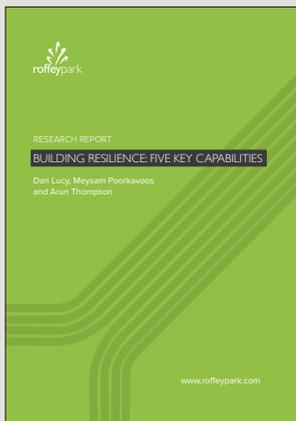
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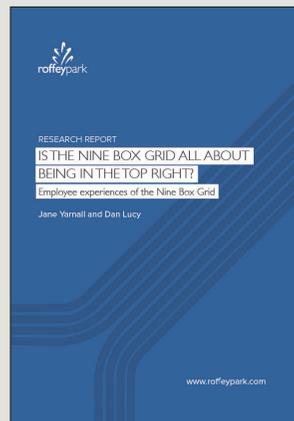
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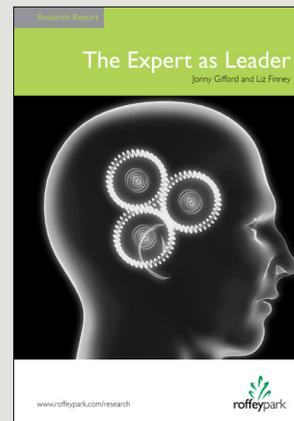
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Storytelling is receiving increasing attention in the management literature as a powerful tool for addressing many of today's key leadership challenges, including articulating a clear vision and strategy, engaging employees, generating commitment to change and establishing trust in leaders. In this report we draw on existing literature and semi-structured interviews with senior leaders to examine the theory and evidence behind these claims. We explore:

- How stories differ from other forms of communication?
- Why stories can be particularly effective at conveying a message and influencing behaviour?
- How and when stories can make leaders more effective?
- What makes a good story and a good storyteller?

The report examines how organisations and leaders have used stories to build credibility and trust; to develop a shared understanding of strategy, purpose and vision; stimulate engagement and genuine commitment; manage change; and influence behaviour, values and culture. It draws out key lessons and challenges to encourage leaders to reflect on how they might use stories or narrative techniques to improve their own effectiveness.

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