

Why some leaders inspire action while others are mostly forgettable: the vital role of business storytelling

Just the other day my business partner, Mark Schenk, surprised himself and in the process learned a valuable lesson. Mark had developed a strong belief that people don't leave companies, they leave bad managers. Even in a poorly run company, if the employee has an excellent manager, they are likely to stay. Mark was expounding this point of view at a leadership development program that he was facilitating, when one of the participants said, "I don't buy it." This challenge made Mark bristle inside. He knew the speaker was wrong and was ready to argue with him, but rather than lose his cool, Mark said, "Can you give me an example of what you mean?"

"Sure," he said. "I was working at [large utility company] and it was one of the worst companies I've worked for—ruled by fear, with too many incompetent executives who were unclear about where the company was headed. And at the same time I had the very best manager anyone could hope for. She did her best to shield us from all the crap that was going on and also gave me plenty of scope to do my job in the way I knew it needed to be done. She had been with this company for 12 years and was doing everything she could to make a change, but to no avail. In the end I left the company to seek out a more productive working environment."

Immediately Mark realised he had to rethink his point of view. His mind was changed by a simple story describing someone's real-life experience.

Successful leaders are game changers: they can help people change the minds, feelings and ultimately their actions in ways that convey the meaning and significance of what needs to be done. So, by this definition, anyone in an organisation can be a leader. The man in Mark's workshop is one. It's about getting things done with the support and help of your colleagues.

But changing people's minds and actions takes more than persuasive argument. In fact argument alone can often merely result in people digging in their heels. Changing minds and actions also involves empathy, listening, questioning and, in particular, stories. Harvard Professor and author of *Changing Minds*, Howard Gardner, puts it this way: "The principal vehicle of leadership is the story: the leader affects individual behavior, thought, and feelings through the stories that he and she tells."ⁱ

WAYS LEADERS USE STORIES AND WHY THEY ARE EFFECTIVE

Leaders can tell stories to paint a vision or strategic direction, share a lesson, convey values or illustrate desired behaviours. Stories also have an ability to forge deeper connections between people, so inspiring them to focus their attention and take action. As Terrence Gargiulo said, "The shortest distance between two people is a story."ⁱⁱ

Stories work for leaders as a successful communication and engagement technique for several reasons.

Firstly, stories convey emotion effectively, and emotion united with a strong idea is persuasive. We remember what we feel. And our emotions inspire us to take action.

Secondly, stories are concrete and have the ability to transport us imaginatively to a place where we can visualise the events being recounted.

Thirdly, stories are memorable: we are up to 22 times more likely to remember a story than a set of disconnected facts (such as presentation dot-points).ⁱⁱⁱ

Lastly, stories represent a pull strategy, unlike the push strategy used when we argue in a more traditional way. Stories engage the listener, pulling them into the story to participate in the conversation, rather than telling them what to think.^{iv}

WHAT IS A STORY ANYWAY?

At this point you might be thinking, "So what do you really mean by a story?" In business a story is simply the recounting of an event that happened to you or to someone you know, or even a story from another source such as a movie or a book. An effective story is surprising,

emotional but most importantly it must be credible. For example, you might be the leader of a business unit facing a terrific opportunity to launch a new major product but you're unable to raise enough capital to fund the venture into profitability. To get your sponsors on board, you could recount this story about Ted Turner and the launch of CNN.^v

When Ted Turner was planning to launch CNN in 1979, he knew he didn't have enough funds to see it through to profitability, but at the same time he knew he had to move quickly, although no-one was going to lend him the money because of his inexperience in delivering TV news. So he drew on his knowledge of military history and likened the CNN launch strategy to Irwin Rommel's desert campaign during World War II. On several occasions, the German general had launched an attack despite having too little fuel to conduct an entire offensive: he intended to strike when the British weren't expecting it, overrun their lines, and then capture their fuel dumps in order to refuel his Panzers and continue the offensive. Turner's vision for financing CNN was similar: if they had enough cash to get on the air and could somehow survive their first year of broadcasting, people would see it was a viable and valuable service. Once the concept was proven, he would have easier access to capital. Even in the worst case, Turner figured that if he ran out of money after launching the channel and getting some distribution, he would have created a valuable asset that he could sell to a competitor.

Our stories, collectively and individually, have a profound effect on what we believe is possible. Therefore the challenge for leaders is both to understand the stories affecting individuals and groups and to know how to define and tell (ideally through wide participation) new stories that set the direction for the company. But that's not all. The vital element in this challenge is to help people hear, remember and believe where the company is headed and then to inspire people to act in line with that belief.

Aligning everyone's actions to the company's strategy is equivalent to finding the corporate Shangri-la. Yet it can be done. Take IBM's turnaround, for example. Lou Gerstner arrived as the new CEO in 1993 at a time when IBM was on the endangered species list. Gerstner had been CEO at Nabisco and American Express, and before that he was a director of McKinsey Consulting. He'd seen hundreds of strategies and knew that most are the same—it's extremely difficult to have a unique strategy. What makes the difference, however, is the execution of the strategy. Gerstner set about turning around IBM by telling new stories about their direction, such as the new emphasis on services and the growth that would come from software. And of course he didn't do this alone. He worked hard to develop a strong team who understood the stories and could act in ways that created new ones which reinforced the strategy.^{vi}

FINDING YOUR OWN STORIES

The first step to become a storytelling leader is to develop an awareness of the stories that swirl around you every day. Whenever a set of events strikes you as remarkable, take notice of what happened and ask yourself, "What does that set events say about the behaviours I want to instil or dispel in my group?" Say, for example, you are a leader at FedEx, the company that promises to deliver your package "absolutely, positively" overnight, and you hear the following:

"In St Vincent, a tractor trailer accident blocked the main road going into the airport. Together a FedEx driver and ramp agent tried every possible alternate route to the airport but were stymied by traffic jams. They eventually struck out on foot, shuttling every package the last mile to the airport for an on-time departure."^{vii}

This story is packed with the behaviours you want everyone in your company to exhibit. So instead of merely pleading for people to be persistent, innovative, collaborative, tell this story as an example of what can be done.

The second step is to move your style of speaking away from being predominantly rational and argument-based to being a good mixture of stories and argument. But here's the secret. We humans are afflicted by what psychologists call the confirmation bias, which results in us digging in our heels whenever someone tries to convince us to change our minds with sophisticated rationale. In fact we often come away from these exchanges doubly convinced of our own opinions. Think about how most presentations normally flow: we outline our argument, and then follow on with examples, having already unwittingly activated that pesky confirmation bias.

We can avoid triggering this bias by starting our presentations with examples instead. Specifically, it's beneficial to start with a negative story to grab their attention. We are

hardwired to notice negative stories, but negativity rarely changes our minds. So we follow that with a positive story of what's possible. These two examples give the listener the opportunity to gain a new perspective and shift their position, without telling them what to think. At this point, a rational argument can now be effective.

Finally, where possible, ask for feedback about what people infer about you from your stories. Each time you recount an experience you're conveying your values, whether you like it or not. Sometimes it's hard for you to detect what's really being conveyed. You might think your story conveys the importance of persistence and attention to detail, but your listeners could infer you're inflexible and a nitpicker. You need trusted advisers to give you this frank feedback.

Good leaders are good storytellers. For the lucky few it is a skill that has stayed with them despite organisational cultures favouring rational argument. Everyone is inherently a storyteller, though some get it beaten out of them. Consequently, storytelling is not the exclusive domain of a naturally gifted few. Rather, it is a skill that every leader can, and should, re-discover and develop.

CONTACT DETAILS

To learn how to help your leaders develop storytelling skills, contact:

Shawn Callahan
Founding Director
Anecdote Pty Ltd
shawn@anecdote.com.au
P: 03 8300 0747
M: 0410 346 343

ⁱ Gardner, H. (1999). "The vehicle and the vehicles of leadership." *American Behavioural Scientist* 42(6): 1009-1023.

ⁱⁱ Gargiulo, T. L. (2007). *Once Upon a Time: Using Story-Based Activities to Develop Breakthrough Communication Skills*. San Francisco, Pfeiffer.

ⁱⁱⁱ Bruner, J. (1986). *Actual minds, possible worlds*. Cambridge, MA, Harvard University Press.

^{iv} Simmons, A. (2006). *The Story Factor: Inspiration, Influence, and Persuasion Through the Art of Storytelling*. New York, Basic Books.

^v Turner, T. (2008). *Call Me Ted: The Autobiography of the Extraordinary Business Leader and Founder of CNN*. London, Sphere.

^{vi} Gerstner, L. V. (2002). *Who Says Elephants Can't Dance? Inside IBM's Historic Turnaround*. New York, Harper Collins.

^{vii} Heath, C. and D. Heath (2007) "Talking Strategy: Three Straightforward Ways to Make Your Strategy Stick." *Change This*, DOI: <http://www.changethis.com/31.01.TalkingStrategy>