

Business Narrative

Story Listening and Story Telling in Organizations

Summary

Like Psychology, Organizational Development has been struggling since its inception for scientific legitimacy. When the primary material a discipline has to work with consists of people, it can be a challenge to measure, quantify, and statistically prove the validity of specific practices or interventions. Add business to the mix, where decisions about investment must be based on real data and the results similarly evaluated, and it can be a challenge to assess culture and influence change using tools more appropriate for machines.

Telling and listening to stories, however, is a tradition as old as humankind, and may be the most powerful means for relaying and retaining information, communicating and understanding important messages, and influencing cultural thought. Stories are narrative frameworks that include the values in a culture and are a natural way for people to share experiences and make meaning from events. Although we think of the creation and telling of stories as an art, there are organizational development practitioners who are using business narrative as a tool to better understand the norms and beliefs in an organization, and to influence change.

Some of the applications of business narrative are knowledge management, both retention and dissemination, cultural assessment, change management, merging cultures (mergers, acquisitions and partnerships), and as a leadership tool to communicate strategy and inspire action. Some practitioners focus on the gathering of stories as an assessment tool, and others on the creation and telling of stories to influence the organization.

Perhaps the most powerful use of business narrative includes both listening and telling, first discovering revealing stories prevalent in the organization and then working with those stories to create new ones that convey important information, values, or vision.

Types of Stories

David Snowden, the founder of Cognitive Edge and formerly a director at the IBM Institute for Knowledge Management in the U.K., is a pioneer in the use of narrative in business. He believes that “humans evolved as pattern processing, not information processing intelligences.”¹ He has identified three primary types of organizational stories, anecdotes, fables, and myths. He defines an anecdote as a naturally occurring story which is based on experience or observation within the organization. A fable is a long, complex story whose details change with each telling, but in which the listeners always understand and remember the message or moral, which remains the same. A myth is a simple story that occurs spontaneously and spreads easily, and can be either positive or negative. It can be completely fictional while at the same time representing a true and important belief or cultural aspect of the organization. Snowden has developed an elaborate practice built around the discovery, depiction, and use of archetypal figures found in myths.

Stephen Denning, who was the Program Director of Knowledge Management at the World Bank for many years, approaches business narrative from a leader’s perspective. He focuses on the creation, rather than the gathering of stories, and identifies specific types of stories for distinct purposes. Springboard stories² are stories that leaders can use to stimulate change, such as a new strategic direction, a new business model, or a

¹ Snowden, David. Cynefin Ltd presentation. 2005

² Denning, Stephen. The Leader’s Guide to Storytelling. San Francisco: Jossey Bass. 2005.

cultural change. A springboard story is based on an actual event, has a single protagonist with whom the audience can identify, and has a happy ending. Springboard stories paint a picture of the future, but without excessive detail, so that the listeners have room to imagine their part in creating the future and are thereby stimulated to creative action. It describes how a successful change was implemented in the past, allowing listeners to imagine success in their own situation.

Stories leaders tell to engender trust in themselves communicate something revealing and significant about who they are. Denning believes that if people are to accept change, they must trust their leaders, and to trust them they need to know who they are, where they come from, and why they hold the views they hold. Stories that communicate who a leader is are based on a life event that focuses on a strength or a vulnerability, and what the speaker learned from the experience. A brief, well-chosen story can give important information about the speaker's life and character, is usually about an important decision or turning point in the leader's life, and must be authentic.

Denning identifies a parable as a story that allows a leader to transmit values to the organization. Parables are often about conflicts of values, and are one-dimensional and without much detail. Although they tend to be imaginary, they are presented as true stories. The facts are less important than the truth of the value being communicated, and the message that it is a desirable value in the organization. However, Denning cautions that the values being conveyed must be consistent with the leader's actions. An example is a story that circulated at IBM about the CEO being denied entry into the building because he didn't have his security badge with him. This story purportedly began in 1936 about the current CEO Tom Watson, but according to Denning is still circulating today,

even in other companies as if it had happened there. The message is obvious, and the parable no doubt lives on since it conveys a value important to many organizations.

Stories that foster collaboration are about a situation that the listeners have experienced, and serve to elicit more stories from those present. This requires a flexible agenda, and Denning says the initial story must be “emotionally moving enough to unleash the narrative impulse in others.” One intervention used by narrative practitioners both to collect and to construct stories is an anecdote circle, which will be described later in detail. Stories can be used to set objectives for a group, giving analogies or examples of how the group should work together, to communicate desired results, and for group learning about what works and does not work.

Denning identifies knowledge sharing stories as important for transferring information. Numerous knowledge management practices have evolved from the idea that often the most pertinent information in an organization often comes from experience, lives in people’s heads, and is transmitted through stories they tell each other. These narratives differ from other story forms in that they have no hero and no plot. They are about problems, and how they did or did not get solved, and include the setting, the problem, the solution and often a detailed explanation. While not as compelling as other narrative forms in general, a knowledge sharing story can be of vital importance and interest in relevant circumstances.

Leading others to realize a vision is perhaps the most powerful use of narrative in leadership. Denning states that “the telling of stories about the future has come to be seen as a central task of leadership.”³ Denning believes that it takes an unusually gifted

³ Denning, Stephen. The Leader’s Guide to Storytelling. San Francisco: Jossey Bass. 2005.

speaker to be able to inspire with the classic spare story and poetic images that paint a powerful vision, as in Martin Luther King's 'I Have a Dream' speech. For this reason, he recommends the springboard story as a mechanism for any leader, regardless of speaking talent, as an effective way to evoke a desired future state. It is a story about the past that relates to the listeners' current situation, and stimulates the listeners into imagining the changes that would be needed to make the desired future a reality. Denning lists several types of future stories, including plans, business models, strategies, scenarios, which need to be used in the context of the end goal, and vision, which he describes as an image of the future that represents a common goal.

3M has used 'strategic narrative' to develop and communicate plans through story rather than bulleted lists of goals. Gordon Shaw, Executive Director of Planning and International, says that 3M is a "story-intensive culture", and so it was natural to move to the use of narrative. "We sense that it's central to our identity – part of the way we see ourselves and explain ourselves to one another."⁴ A strategic planner develops a story that first describes the current situation clearly, identifies the challenges the company is facing in this situation, and concludes by describing in a logical and specific way how the company can overcome these obstacles. Shaw states that "the act of writing a full, logical statement encourages clear thinking and brings out the subtlety and complexity of ideas" the way a list of goals cannot. He believes, however, that the most important advantage of strategic narrative over traditional business plans is their capacity to generate excitement and commitment.

⁴ Shaw, Gordon, Robert Brown, Philip Bromiley. Strategic Stories, How 3M is Rewriting Business Planning. Harvard Business School Publishing Corporation. 1998.

Interventions

Anecdote circles, also called story telling circles, are done with groups whose members have shared interests, such as past experience with a project or function, or common aspirations. David Snowden recommends that the ideal span for such a session is an afternoon and evening. Shawn Callahan of Anecdote, and formerly the Knowledge Management Practice Leader for IBM in Australia, does sessions lasting from sixty to ninety minutes, and limits the group to no more than ten people who must be peers.⁵ Anecdote circles are videotaped for analysis later, to preserve the initial session for sharing stories without concern for their significance. The first challenge for the facilitator is to get the story telling started without turning it into a group interview, and to help the group avoid judgments and opinions. The idea is to get the group telling stories to each other. Some methods to elicit anecdotes include *timelines*, in which the facilitator draws a timeline and asks people to place events on it in relation to the topic under discussion. *Ditting*, or *dit spinning* (British navy saying meaning ‘fish tale’) involves one-up-manship, in which after a tall tale the facilitator asks if anyone can top that story, to stimulate escalating stories and energy and relieve inhibitions.

Alternative histories is a technique in which the facilitator asks the group to identify turning points in a story that has just been told, and then to identify alternative scenarios. David Snowden says that often more truth is revealed in the alternatives than in the original story. Another activity is to change one of the main characters, or the context, allowing for different perspectives to emerge. *Metaphors* can also be used, inserting an image or situation that is similar but one step removed can create a safer place to discuss difficult ideas, create a common reference, and provide language that

⁵ Callahan, Shawn. “How to use stories to size up a situation.” www.anecdote.com.au . 2004.

helps the group to remember important realizations and values that arise in the circle later in their work together.

The anecdotes are later analyzed, and stories intended to influence the organization can be designed that are based on the way people perceive things to be rather than how management would like them to be. An especially powerful anecdote can simply be enhanced, or a new story can be created using material from several anecdotes. Snowden says twenty to thirty anecdotes are required to have sufficient material. The same group that told the anecdotes meets to extract archetypes and organizing principles from the collection of stories.

Archetypes can be found throughout human history, in ancient myths and legends and, according to Jung, are so essential a part of how we experience life that they appear in our dreams. Archetypal figures can represent aspects of an organization, and once identified, can be used to directly communicate both the present reality and a desired future state. Snowden has developed an intervention in which as the group identifies certain recurring archetypal characters in their anecdotes (none of whom can be actual persons in the organization), while a cartoonist simultaneously creates visual representations of these characters.

The group works to identify three to five such characters, all of whom must be recognizable by everyone and some of whom must be in conflict with each other. After agreeing on the cartoon characters, the group draws up a list of each character's strengths and weaknesses. Snowden says "archetypes allow us to understand differences without having to directly confess or confront direct truth, providing an easier learning

environment.”⁶ He has used company archetypes in knowledge management, communication plans, and organizational learning. Dilbert is an example of modern corporate culture expressed through a few basic archetypal characters, Dilbert, the engineer who loves technology more than people, the Boss, who is selfish, stupid, and actively undermines his employees, and Dogbert, a dog who is brilliant, egomaniacal, and power-hungry.



Organization principles are values, rules, or beliefs that express the informal principles around which a community is self-organizing. Until such principles are articulated, they can limit the potential of innovation and creative problem solving in an organization because it is difficult to challenge implicit constraints. Ultimately the primary function of gathering and analyzing anecdotes is to surface these principles so they can be discussed, questioned, and where appropriate, changed. The group can create new stories using the archetypes with a common understanding of the organizing principles at play in the organization. The process of developing new stories itself creates change, as well as a product that can be disseminated into the larger organization.

⁶ Gill, Philip J. Once Upon an Enterprise. Knowledge Management. <http://www.destinationKM.com> April 2001.

Knowledge management is continuing to develop new means of storing and communicating information as technology provides new tools. It is possible to do virtual anecdote circles, allowing participants to join and leave from different places and at different time. Babble, software that originated at IBM, uses social proxies to represent participants, making people visible to each other through colored dots within a circle. It is not hard to imagine much more sophisticated methods using tools that exist today in online games and communities allowing a visual character representation for each participant.

Michael Kull, executive producer of Amplifi, Inc, a consultancy in Arlington, Virginia, makes videos of different types of stories in what he calls knowledge media.⁷ He includes success stories, lessons learned, and champion stories explaining the motivation behind a valuable action. Narrative databases can be created, using technology to tag categories of information and stories. Knowledge blogs now exist, or k-logs, dynamic because they are interactive and encourage brain-storming, disagreement, and collaboration. They also provide references (links) to other relevant information and serve as useful, searchable archives.

Risks

Story construction and telling must be completely grounded in sincere and intelligent story listening, carefully facilitated by someone who remains neutral and is skilled at creating an atmosphere in which stories with real meaning can be told. The same care must be taken with the facilitation of the analysis of the anecdotes, allowing decisions about characters, meaning, and principles to come from the participants.

⁷ Rao, Madanmohan. Networks & Narratives. Knowledge Management. <http://www.destinationKM.com> November 2003.

Everyone involved must understand and trust the use of stories that will come from the process, and the technique must be made transparent to the entire organization.

If stories are thrust on an organization that are not rooted in reality, people will know it, just as they spontaneously recognize truths that are revealed from the process when it is carefully done. Stories that are hypocritical and serve an agenda risk creating what Snowden refers to as ‘*anti-story*.’ He describes this as an official corporate script that inspires a cynical response, and can be more damaging than no story at all.

Anecdote, a consulting firm in Australia, uses narrative in conjunction with social network analysis (SNA) in a coherent and practical process. To understand a client’s current system, they consider “what people know (knowledge), what people do (practice) and who they know (relationships).”⁸ In order to identify key influencers in the organization, they conduct a simple social network analysis to see what information networks and connections between people are in effect, and work with staff to interpret the results. The four project phases they identify: discovery, sensemaking, intervention design, and monitoring should be done in cycles of less than eight weeks. As part of this process they gather stories from the organization and work with the group to interpret the stories as a basis for developing a common understanding and making decisions about what actions to take. Interventions are designed collaboratively asking fundamental questions such as:

- What can we create that has never existed before?
- What can we totally eliminate?
- What can we significantly reduce so that it’s remarkably different?
- What can we markedly increase?

⁸ Callahan, Shawn, Andrew Rixon, Mark Schenk. “Avoiding change management failure using business narrative.” www.anecdote.com.au . December 2005.

Anecdote believes in small interventions and short cycles which they call a “portfolio approach enabling the team to rapidly implement interventions and see the results quickly.”⁹ The monitoring phase allows the group to assess when another cycle of discovery and intervention is needed.

I find this approach dynamic, practical and realistic, and unlike some of the more complex business narrative applications mentioned earlier, one I can easily imagine employing with positive effect. It seems they have taken the simple essence of both narrative and SNA and combined them to create a process that is relatively easy to explain to organizations, and could show benefits quickly enough to prove its merits. This is a method I would like to learn more about and try, because I think it could be very interesting and revealing, and possibly allow more rapid change than some more traditional interventions.

⁹ Callahan, Shawn, Andrew Rixon, Mark Schenk. “Avoiding change management failure using business narrative.” www.anecdote.com.au . December 2005.

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