Effective storytelling can strengthen an organization's bonds with all of its stakeholders.

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Stories that Sell, Stories that Tell

By Barbara Kaufman, Ph.D.

Storytelling is one of the oldest, most powerful modes of communication. Former President Ronald Reagan was a masterful storyteller, and many other politicians have used stories to gain votes and win elections. In the world of corporations and nonprofit organizations, however, this highly effective tool has taken a back seat to the more efficient electronic means of communication such as email and teleconferencing. Savvy leaders are now adding storytelling to their toolkits to "sell" organizational goals and priorities to employees and other stakeholders. Through stories, these leaders align organizational mission and values with people's intrinsic needs to belong and to contribute.

Researchers have found that storytelling is far more convincing to an audience than rational arguments, statistics, or facts. In her book *Corporate Legends and Lore: The Power of Storytelling as a Management Tool*, Peg Neuhauser outlines the results of a study with MBA students that demonstrate the power of a story. Statistically oriented MBA students were divided into three groups. One was given only statistics related to the potential success of a winery. The second group was given statistics and a story. The third group received only the story. The story ended with: "And my father would be so proud to sip this wine." A majority of students in the third group believed that the winery would be successful, while in the other two groups the skeptics predominated. The story, not the statistics, sold the winery.

Highly proficient speakers usually quote an inspirational anecdote or tell a story before they present an audience with detailed analyses, figures, or charts. For example, Sarah Weddington, the Austin-based attorney who successfully argued *Roe v. Wade* before the Supreme Court, often speaks of the power of including humor, quotes, and stories in her presentations.

The fact is that a story makes a topic much more real to the audience than the most rational persuasion because it reframes the argument in an easy-to-grasp format anyone can relate to. When it becomes necessary to influence people, a story frame is always more effective than a rational, linear argument, provided the story answers the audience's question, "What's in this for me?"

Stories from the Heart

Storytelling has a wide range of applications. Here are a few examples of the many ways executives use stories of the past and present to move their organizations into the future.

Overcoming Resistance to Change. Discomfort with change initiatives is common, particularly in organizations that have long, proud histories marked by little change. Leaders can make change more palatable by telling stories that celebrate the past while demonstrating the need for change. Stories help people understand that moving forward does not mean dishonoring the past.

When Blair Contratto was named CEO of Little Company of Mary Health Systems, based in Torrance, California, she replaced a beloved leader who had been in charge of the organization for well over 20 years. Contratto used storytelling to facilitate the organization's transition to her leadership style and, since then, has successfully changed the company's leadership model and its stakeholders' view of the nature of the CEO. "I often use the analogy of the space shuttle commander's role vis-à-vis a variety of payload experts as opposed to the command and control leadership model of a ship's captain," Contratto says.

Through storytelling, Contratto made the role of CEO more approachable, less aloof, and more familiar. "Healthcare is dominated by men as leaders," she says. "I'm one of very few female CEOs of a healthcare organization in the country.

To draw upon everyone else's view of healthcare going into the future, I use stories from my own family and the experience of having my children in my own hospital. The stories have built a teamwork culture and have allowed others to share personal stories and draw analogies from inside and outside our industry through the use of storytelling."

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Little Company has acquired several other healthcare organizations over the last 10 years, and Contratto has found that storytelling is a critical tool in helping the people of the acquired companies cope with the changes.

"Stories allow people to liken organizational change to personal change," she says. "Healthcare is a very personal field with a great deal of emotion wrapped up in caring for patients, whether it's admitting them, physically caring for them, or just helping them understand their bills. When we're in an acquisition mode or find ourselves separating from one of our partners, I first tell my own stories about the challenges of being a working mother. I then ask our employees to think about the relationships that are important in their lives and have them discuss how they approach developing and nurturing those relationships. I give examples of building confidence and independence with my teenage son to communicate a sense of ownership commitment and shared values so that the people in the companies we're acquiring can adopt those same values.

"Through the stories, we honor their past, celebrate their companies' accomplishments, and translate their past experience into a story for the future."

Developing a Meaningful Mission. The story behind an organization often forms an ideal basis for a powerful, memorable mission statement. When Rita Harmon was appointed executive director of Fight for Children, a nonprofit organization in the Washington, D.C. area that focuses on education, healthcare, and mentoring, she realized that the organization's mission statement was meaningless. She spearheaded the creation of a new mission statement that reconnected the organization to the powerful story of the children it had helped over the years.

Harmon explains: "Along with the traditional analytical approach to creating a mission statement, we listened extensively. We listened to people tell stories about Fight for Children and its role in the community and about our founder, Joe Robert. We listened for the arc of the story, for common threads about the past that formed common themes for the future."

Harmon's creative visioning and strategic analysis process led to a new mission, one that would be remembered by community and foundation leaders throughout the Washington area: "Fight for Children strives to create a brighter future for each and every child in the Washington metropolitan area by helping them access excellent education, healthcare, and mentoring opportunities."

Since then, Fight for Children has continued to work with the mission's theme, constantly testing it and keeping it alive. "There's a tendency in organizations to treat strategic planning or visioning as a 'thing,' as opposed to a living story," says Harmon. "The mission is posted on the wall or tucked away in a drawer. However, it only becomes real when people push up against it every day, test its reality, and evaluate their activities against it. If the organization's story is not retold continuously, the mission won't mean very much."

Enhancing Fundraising or Recruitment. As resources and budgets become tighter, storytelling as a means to enhance fundraising and recruitment efforts will be critical. Through telling an organization's story, leaders can enlist board members, community leaders, foundations, and other groups to contribute time and resources to fundraising and recruitment efforts.

California State University, San Marcos, recently opened a strategic planning retreat for its trust board with a storytelling session as a morning warm-up exercise. The trust board is the university's key fundraising organization.

Dr. Barbara Bashein, vice president of External Affairs, reports: "We asked each board member to tell the story of what got them involved with the university. Since trust board members are typically CEOs who are used to being front and center, storytelling was quite natural for them. Through stories of what the university had done for a particular student or seeing the campus grow, our board members communicated their reasons for devoting time and energy to the university's cause."

The power of stories is sometimes particularly evident in the damage the wrong stories can do to an organization's reputation.

As these board members were telling their stories, it was as though they recommitted and reconnected. The stories rekindled their passion for helping the university through fundraising. "The many different views of why they had become involved with the university captivated the audience and were memorable," says Bashein. "The stories also proved to be an excellent means of getting newcomers to the board engaged with the group. The storytelling session was a natural foundation for a brainstorming session to develop fundraising strategies."

Bashein also employs storytelling in her own fundraising

efforts. "When I ask for donations for an athletic scholarship, for example, I talk about specific athletes who have maintained outstanding grade point averages while practicing three to five hours a day, five days a week, as well as holding down part-time jobs," she says. "Personal stories like that make donors more supportive of the cause."

Even a failure makes a good story when it is positioned to focus on the learning experience derived from it.

Little Company has benefited from storytelling in the recruitment of nurses. "The entire healthcare field is currently experiencing a tremendous nursing shortage," Contratto explains. "We have 4,000 employees, of which only 700 are nurses. On any given day, we have 100 nursing vacancies and are heavily focused on recruitment and retention. Recruitment firms, ad campaigns, improved compensation, bonuses, and benefits are only as good as our ability to find capable nurses and convince them to come work with us." That's why Contratto enlisted the help of the board and every employee by telling them a story that demonstrates the difference *one* person can make.

"The story is that I took my 13-year-old son to the gym and met a young trainer named Gina," says Contratto. "When we discussed what my son wanted to be when he grew up, it turned out that Gina was a nurse. She had given up on her chosen occupation when she did not pass her nursing board exam the first time. We got her a coach, enrolled her in a refresher course, and she passed her exam. She now works in our emergency room at night, which is what she had always wanted to do. Every employee and board member, whether they are at the grocery store, at a restaurant, or on a soccer field, can ask the person they are talking to, 'are you a nurse?' It's a great ice-breaker and an incredible opportunity to help our company in a fun way."

Now Little Company's board members and employees are collecting stories of how they were able to recruit a nurse. The company plans to use that material on its Web site and in the recruitment effort. "The stories empower our employees and their friends and families to be part of our recruitment process, rather than just relying on external resources," says Contratto.

At Fight for Children, Harmon tells the organization's story in a crisp, compelling, and inviting manner when she speaks at fundraising events or gives television interviews. "We believe that philanthropy ought to be fun," she says. "After all, it's about love and affection for one's fellow man. Our work needs to be engaging and enjoyable for both donors and clients."

Harmon's presentations and cutting-edge videos focus on profiles of particular children, classes or centers. "Whether in written, visual, or spoken material, there is nothing more powerful than the individual tale," she says. "Our founder is also a great storyteller. He often talks about his experience of a Catholic education that taught him the value of giving back and sharing in one's own good fortune."

Robert is one of the successful leaders who translate stories about their lives into their organizations' purposes and goals. His and Harmon's stories are the reason why Fight for Children's fundraising events raise more money than any other organization in Washington. "We draw more people, have more fun, and give more money away," says Harmon. "We've infected people by drawing on the vitality of our story."

Engaging Employees. Stories create allegiance toward an organization's mission and rekindle the passion that makes people want to give of themselves, whether time, money, or other resources. They re-engage employees and reawaken their love for their jobs. In orientations, it is the most effective way to teach new employees, including senior leaders, about the culture and history of the organization.

"Getting employees involved in storytelling helps define what we aspire to become as a company and what we have the capability of doing," says Contratto. "We are currently engaged in a refocusing of our culture on service. That includes service to our patients and their families, service to the doctors who choose to admit their patients to one of our 30 facilities, as well as the service and support employees provide to each other. One of the best ways of engaging our employees is to have them tell stories of the best and worst service they've experienced."

Connecting to the Community. The power of stories is sometimes particularly evident in the damage the wrong stories can do to an organization's reputation. When Dr. Jolene Koester became president of California State University, Northridge, one of her first challenges was to address the effect of negative stories that described the university as isolated and not connected to the community.

"I knew that those stories were incorrect because the university's academic programs were connected to the community in multiple ways," says Koester. After researching several years' worth of press clippings from the two local newspapers, Koester realized that the stories that formed the basis of this pervasive misperception had originated in a much earlier time and place in the university's history. The stories had been brought forward in time and were inaccurate in the present.

Koester's goal was to develop true stories to communicate that the university's academic programs use the faculty's intellectual expertise, as well as the growing intellectual expertise of their students, to benefit the community. To do so, Koester first had to define what community meant.

"The word community had several different meanings in the old stories about the university's isolation. In some cases, it was the entire San Fernando Valley; in others it was a group of neighbors who had organized in opposition to

various university plans; in yet other cases, community referred to people who own businesses in local communities around the university. Understanding the different narratives around the word 'community' made me realize that the challenge was multi-layered. We had to understand the complexity of all these different communities and develop approaches and messages directed appropriately to those groups."

And that understanding led to a new approach. Koester says, "Now when I extol the university's connections to the community, I back up my general thesis with examples about our students and faculty from across the campus tailored to the interests of the specific group I speak with, whether they be groups working in the social services, health rehabilitation, or the region's economy."

Stories let leaders speak from the heart of their organizations when communicating missions, values, and issues. Overall, storytelling is far superior than sending memos and letters that appeal to constituent groups through rational arguments.

Finding Stories with Impact

How does a leader develop a repertoire of stories? It's actually quite simple. The task is to observe day-to-day activities and look for the stories. Who are the risk takers in the organization? Who are the informal influence leaders? What are average employees doing that really makes a difference? Who are the organization's heroes, the people who go the extra mile?

Southwest Airlines, for example, is very good at telling stories that demonstrate employee commitment. A recent *USA Today* article related the story of a creative Southwest Airlines mechanic who demonstrated his commitment to customer service by going the extra mile. During a blizzard in Buffalo, the employee used his snowmobile to drive seven miles in 20 feet of snow to get to the airport to free up a plane for take-off.

Finding the stories may require the use of peripheral vision. While it's easy to see achievements, other powerful stories can come from near misses that teach people that risk has its rewards. Even a failure makes a good story when it is positioned to focus on the learning experience derived from it. Above all, finding the stories requires becoming a good listener in two ways: Listen to uncover material for possible stories and learn by observing others who tell stories well.

Does the added "face time" the leader invests in telling a story provide greater return on investment than being efficient by sending a quick memo? The measurement of ROI lies in the answers to questions such as: Did successful recruitment efforts increase? Are fundraising goals being met? Has grievance activity declined? Has buy-in increased? Are more people engaged in achieving organizational goals? Has morale improved? If the stories are on target, the answer to these questions should be a resounding "yes."

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Personal Communication Builds Trust

The stories told here demonstrate that storytelling is a powerful tool to help leaders create followers. Stories can support change initiatives, enhance fundraising and recruitment efforts, engage employees and other stakeholders, and establish deep and lasting connections with the community and constituent groups. In today's globally connected world with its highly efficient, yet impersonal electronic modes of communication, it is more important than ever for leaders to build trust in their organizations through personal communication. That's why savvy leaders invest the time in developing and telling their organizations' stories. The lasting bonds they create provide great personal and organizational returns. ◆

Barbara Kaufman, Ph.D., is president of ROI Consulting Group, Inc. in Rancho Mirage, CA. As an executive coach and educator, she specializes in leadership effectiveness and organizational development strategies for private and public sector leadership teams. She is the author of numerous articles on leadership effectiveness and has been published in Journal of Business Strategy and other business and non-profit sector publications. She also serves as an adjunct professor at Claremont Graduate University, where she teaches courses in leadership effectiveness and succession planning. For further information, email drbarbkaufman@earthlink.net.