

Getting story right is telling for change success



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Storytelling is a critical component of organisational transformation, writes Gabrielle Dolan.

TWO CEOs went walking in the woods and came across an attacking grizzly bear. One stops to put on a pair of runners. The other asks: "Why are you doing that, we can't outrun a grizzly!" The reply: "I only need to outrun you, not the bear."

This story explains competitive advantage in a nutshell. Would you remember this tomorrow? Could you repeat it in a month's time? Most importantly, does it help you understand competitive advantage?

Compare Michael Porter's competitive advantage definition: "Competitive advantage, sustainable or not, exists when a company makes economic rents, that is, their earnings exceed their costs (including cost of capital)."

Is change communication in your organisation more like the first example or the second? Unfortunately, most organisations are closer to the second example.

This explains why research indicates that a large number of organisational change attempts either fail outright or fail to reap significant return on their investment. Last year, Human Synergistics International analysed 41 Australian and New Zealand companies that attempted organisational transformation.

While most of the companies surveyed showed some improvement, only six of the 41 achieved change so significant it could be termed transformation.

Common features of these organisations included:

- The critical leadership role in ensuring the organisation's mission, purpose and values were understood.

- The importance of effective internal communication.
- The organisation's willingness and ability to learn, grow and proactively manage change.

The HSI research highlights organisational storytelling as an effective tool in the success of these critical factors. Organisational storytelling is storytelling with a business purpose.

Business leaders such as Jack Welch have always understood the power of story. When asked what his greatest attribute was, Welch replied: "That I am Irish and I know how to tell stories." While organisational storytelling is accepted as a key leadership competency, its role as a change management strategy is starting to be recognised.

Stories allow people to personalise the organisation's mission and translate it into human terms. Nordstrom, an American department store, uses stories to deliver its mission of "providing outstanding customer service".

Jim Collins and Jerry Poras in *Built to Last* outline some of the Nordstrom customer service stories told about employees who are known internally as "Nordies". The Nordie who ironed a new shirt for a customer who needed it for a meeting. The Nordie who cheerfully gift-wrapped products bought at another department store. The stories help Nordstrom employees deliver its mission with clarity and focus.

A key finding in the 2003 Watson Wyatt communication return on investment study was that a significant improvement in communication effectiveness is associated with a 30 per cent increase in market value.

The study states: "The fact is that organisations that communicate effectively dramatically outpace organisations that don't." This research also establishes that effective communication comes down to connections — employees need to feel connected to the business and understand how their actions support it.

So if effective communication can increase market value, and effective communication is about creating connections, then story becomes a critical tool. While logic and data can engage people's minds, stories engage their hearts.

Author and story expert Annette Simmons says experience is the best teacher and certainly the most long-lasting, but story is the second-best teacher because story is simulated experience. Simmons says: "Story is your opportunity to create in your listeners' imagination an experience that feels real."

A storytelling perspective also challenges methods of managing change, such as a visible crisis (the burning platform) or establishing a greater sense of urgency. While creating a sense of urgency has its place, it will never achieve sustainable organisational change. At best, it will achieve begrudging compliance.

Essentially, change management is replacing existing stories in people's heads with new stories about the future. Narrative and story imagery are powerful ways to paint this vision of the future.

So while organisational storytelling might not be a magic bullet, combined with the hard data, it becomes a critical component of successful organisational change. Without appropriate stories, it is difficult to see how leaders or organisations could embark on and succeed in leading change.

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