

Once Upon A Time

A leader told a story to inspire her staff. The message stuck and now a growing number of corporations are avoiding abstract descriptions and instead are harnessing the power of the parable.

Story: Kath Walters

As a get-to-know with 350 senior leaders when she was appointed National Australia Bank's chief operating officer in April 2013, Lisa Gray told a story about her early days in personal banking. "I was looking at our credit and revenue and asked the person running it why the revenue was going down," Gray says. "It was the beginning of the global financial crisis. He said people were paying off their credit cards faster. I asked why that is a problem. He said we make less money.

"I realised then there was something fundamentally wrong with the banking industry if we bemoan people managing their money better and that started the bank moving towards our philosophy of 'fair value'."

NAB's fair value campaign included reducing its fees and charges, and launching an advertising campaign distancing it from the other banks, which were seen to raise and lower interest rates in unison. Over the past five years, Gray, who's also responsible for the 10 year technology transformation project Next Gen, has increasingly turned to "business storytelling" in her leadership roles. She began this practice when she became head of NAB's personal banking business in 2008.

"It started when I began to lead very large teams with thousands of people in them," Gray says, "It's important for them to get a sense of who I am and how I make choices."

The more complex Gray's leadership roles have become, the more frequently she uses stories to illustrate the bank's values and purpose in a practical, memorable way. In her current role as group executive of enterprise services and transformation, she oversees operations, technology, transformation, customer fulfilment, payments systems and enterprise services.

Business storytelling is the "skilful sharing of appropriate stories attached to a business purpose", says Yamini Naidu, co-author of *Hooked*, a book about storytelling, and a business mentor who co-founded One Thousand & One, a consultancy that worked with Gray and other NAB leaders to master storytelling skills. In the past 18 months demand for training in storytelling has exploded, Naidu says. "Business has grown 300 per cent."

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Stephen Denning, who wrote *The Leader's Guide to Storytelling* in 2005, is seen as the father of the trend. Denning wrote that the leader who saved IBM, the late Louis Gerstner, used storytelling to transform the then ailing company. He also argued that the Democratic candidate for the United States presidency in 2004, John Kerry, lost the election despite an overwhelming case for change because he could not encapsulate his vision in an authentic, credible story.

Leadership is changing dramatically under the influences of technology and globalisation, and leaders who engage their staff get greater productivity, Naidu says. "The role of leadership is moving from 'inform and expect' to 'inspire and respect'. The leader's mandate is to inspire action and storytelling gives them the opportunity to do that."

ENDING OLD PATTERNS

Gray says the rising use of business storytelling is because leaders are facing so much ambiguity and complexity. "The economy, the customer and the social environment are so dynamic and changing and unpredictable. The old pattern of saying 'here is the situation and here is what you do about it' is no longer sufficient," she says.

Gray wants her 10,000 staff to remember her stories at crucial moments when they have to make a decision without specific guidance from leaders or managers. "One of my core roles is to create strategic alignment across thousands of people. When you are talking about customer focus, it might only take a minute to tell a story related to how we treat a customer, but it is very helpful. *People remember stories.*

Jack Percy, the managing director of management consultancy Accenture Australia, studied mathematics at Cambridge University where he took a class in non-linear differential equations. At least, that is what he thinks he was studying; he cannot remember anything about what he learnt except for one story his tutor told about a Cambridge college bar, a story Percy used recently to inspire staff who were stuck on a problem.

"One college bar was losing money," Percy says. "It stayed open to 10pm. So someone said, 'if it stayed open to 11pm, maybe it would make more'. They did that and it lost even more money. Then someone said, 'keep it open to midnight'. Everyone said no way, if we open for one more hour, we are going to lose even more. But my maths tutor said, 'ah, but the problem is non-linear, so let's give it a try.' And they made heaps of money.

"Apparently all the other bars closed at 11pm, so people started going there after the others closed. Then they started going there to start with, so they didn't have to move. The world

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doesn't operate in a straight line and it is worth thinking about whether we are applying linear analysis to a non-linear problem."

Stories are most powerful when they are used day to day, says Naidu. "Stories have to be authentic and true to your style. You use story telling to support your hard data – the return on investment or cost-benefit analysis – but most leaders just go for the hard data. If hard data worked, no one would smoke!?"

Stories can be misused in the business con??? Shawn Callahan, the founder of Anecdote a consultancy that teaches storytelling helps companies understand their culture by collecting stories and using them as the basis for change. Callahan left his role at IBM's research centre, where he was studying complexity theory and corporate anthropology, to start the business in 2004. He was initially reluctant to teach leaders storytelling skills, despite his clients' requests.. "We say a potential for manipulation" he says, "So we said do it as long as the stories people tell are from their own experience.

UNDERSATND THE ANTI-STORY

Working with Callahan, KPMG's national head of people, performance and culture, Susan Ferrier, has used storytelling as part of a strategy to introduce a new diversity and inclusion to the accounting firm. Ferrier explains it thus: "For us, it is about bringing out the best in our talent regardless of background, gender or social orientation."

Ferrier took 280 leaders through storytelling workshops. "We asked leaders to tell a personal diversity story that had an impact lives, whether it was positive or negative," Ferrier says. "One of the things Anecdote teaches us is that it's important to understand the 'anti-story.'" After digging more deeply into a number of the stories, Ferrier collected and published them on the company's intranet.

Although KPMG had already developed and introduced the diversity policy, it was not until the storytelling workshops started that the cultural changes really began, Ferrier says. "We built the strategy, the work stream and plans, but we realised we hadn't really had a conversation about how leaders would connect emotionally with the new strategy."

The process has given KPMG's leaders the confidence to talk about the strategy with staff in a way that is not about facts and figures.

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Percy, who has now put about 50 of Accenture leaders through storytelling workshop with Naidu and her former business partner Gabrielle Dolan, says it is at least part of the reason his firm has doubled its revenue.

It's also had an impact on his leadership. Percy is an introvert who never imagined he would end up leading Accenture. Percy's maths background and 25 years of using analysis to advance his career initially made him nervous about storytelling. But he found learning to use stories was easier than he thought and the skill has helped him become more confident as a public speaker. The fast track to the brain is through emotion and stories make emotional connections, Percy says.

You can preach logic and numbers all day long, and while people might understand it, they don't get excited and don't necessarily understand the message behind it."

Technology company Ericsson Australia and New Zealand has measured the impact of introducing storytelling to its leadership team. Barack Obama's presidential speeches first inspired Sonia Aplin, head of internal communications for Ericsson in south-east Asia and Oceania, to find out more about storytelling. She was also motivated by the fact that Ericsson had gone through redundancies in 2009; staff morale was down and so were business results.

Aplin says: "Our new chief executive Jacquie Hey, who had inherited these challenges, worked with her team to develop a strategy to turn our business around. I saw my role in this as helping our leaders communicate this strategy to the broader organisation and engaging employees to execute on [it].

"This wasn't going to be easy. At the time, our leaders themselves were de-motivated and they were seen to be poor communicators by employees. Our leaders were rated 57 per cent on the leadership communications index, compared with the Ericsson global averages of 73 percent. Something innovative and different was required," Aplin says.

Google delivered Naidu's details. "We ran storytelling training for our entire senior leadership group of around 75 leaders."

The training was a hit with leaders: 97 percent rated it as relevant and 91 percent said it improved their effectiveness. The next employee engagement survey showed an 11 point jump in staff awareness of the company's strategy – from 66 percent to 77 percent – and a staggering lift of 18 points in "leadership communication capability" from 57 percent to 75 percent. "Naturally, these results were due to a number of improvements we implemented, but we feel storytelling was a key contributor," Aplin says.

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Although business storytelling takes time to master, Naidu says the results justify the investment. “Quite often, you can just feel it in the room,” she adds. “People are really engaged, and you even get repeat requests for stories. I have never heard of a repeat request for a PowerPoint presentation!”

FIVE STEPS TO MASTER THE ART OF BUSINESS STORYTELLING:

1. Be clear on the purpose and stick to a single message
2. Have the courage to find the right personal story – not necessarily self exposing – but focused on experiences your audience can relate to: the school drop-off, for example
3. Develop a handful of business stories that can be used and refresh them regularly. Stories have a shelf life.
4. Never use a story you have not practised; it can be harder than it looks to keep a story short and purposeful.
5. Learn to judge when the right time to use a story is, and what the right story is for the moment you are in.

Source: Kath Walters, (2014), One Thousand & One..., (AFRBoss February 2014)