



USING STORIES TO SPARK ORGANIZATIONAL CHANGE

BY STEPHEN DENNING

Much has been written about how stories have been used to celebrate and strengthen an existing culture. Stories provide continuity in our lives, conveying a sense of our history and our heritage. We are now learning that stories can also be powerful tools to *change* organizations. This realization comes at a particularly useful time for many large organizations—most of which are confronting the inevitability of undertaking major transformation if they are to survive in a rapidly changing marketplace, yet finding it difficult to do so. Indeed, the paradox facing these organizations is that although major change is irresistible, they themselves often seem almost immovable.

Many of the changes that large organizations seek to implement initially appear to employees to be complex, difficult, disruptive, strange, and counterintuitive. The new cultures that accompany major changes often involve concepts, attitudes, and skills that workers do not understand or accept. Some analysts are increasingly skeptical that genuine acceptance of major change is even possible in organizations. They recommend that organizations either go through painful periods of coercive persuasion or start with new populations of workers who hold different assumptions than do the old ones. The unattractiveness and inefficiency of both these practices—essentially telling employees to “comply or say goodbye”—is an additional stimulus for seeking more effective ways to introduce large-scale change.

A Leap in Comprehension

Fortunately, we are learning that storytelling can help large numbers of employees to understand complex and difficult transitions. Stories enable a

leap in comprehension so that the audience intuitively grasps *what* the change involves, *why* it might be desirable, and *how* the organization or community might implement it. They invite the audience to see analogies to the tale from their own backgrounds, their own contexts, and their own fields of expertise. Through narrative, listeners can extrapolate from a scenario in one context to what might be involved in implementing a similar practice in their own environment.

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Compare stories to abstract definitions as a way of introducing a complex concept like knowledge management. Here is the definition of knowledge management from www.brint.com, one of the world’s best web sites on the topic: *Knowledge Management caters to the critical issues of organizational adaptation, survival, and competence in face of increasingly discontinuous change. . . . Essentially, it embodies organizational processes that seek synergistic combination of data and information-processing capacity of information technologies, and the creative and innovative capacity of human beings.*

Impeccably comprehensive and profound in its implications, the definition has only one problem, and it is a serious one: It is unintelligible except to someone who already understands the subject. Even an experienced practitioner needs to study the definition for some time to

comprehend it. This dense verbiage could confirm the skeptic’s worst fears that the concept of knowledge management is hopelessly complex, confusing, and in the end irrelevant.

But efforts to simplify definitions often strip them of content. For instance, one might define knowledge management more simply as *the strategy and processes to enable the creation and flow of relevant knowledge throughout the business to create organizational, customer, and consumer value* (definition by David Smith, Unilever, cited at www.knowledge-nurture.com). The definition looks straight-forward, but it doesn’t help those who don’t already know the strategy and processes needed to create knowledge and make it flow throughout a business. Nor is the terminology persuasive to anyone who is not already convinced of the worth of knowledge management.

By contrast, the story of a World Bank task team leader in Madagascar is readily comprehensible: *In late 1998, a task team leader assigned to Tananarive was able to get advice within a couple of days to solve a client’s problem. By sending an e-mail to colleagues around the world regarding how other countries deal with the question of taxing sales of medicine, he was able to draw on the knowledge and experiences of a community of experts. Before the advent of the Internet, collecting this kind of information would have taken months to accomplish* (see “The Madagascar Case” for the complete story).

This story is relatively simple and accessible. In a simple, quick, and non-threatening way, listeners can grasp the idea of a community of practitioners and the function of a knowledge base. In addition, World Bank employees have a way to get the

gist of knowledge-sharing—and improve the way they themselves work—by extrapolating from the story’s example. When a story does its job, the listeners’ minds race ahead to imagine the further implications of implementing the same idea in other settings: *Imagine if we were able to get answers to these kinds of questions in such an agile fashion! Imagine if we could share expertise on the web with our clients! Imagine what kind of organization we could become!* The concept changes from being vague, abstract, and inert to breathing, exciting, and alive.

The changes that we need to implement in large organizations often have many dimensions and facets. Just the attempt to explain the idea can kill enthusiasm before implementation even begins. Stories, on the other hand, invite the listener to visualize a different world, and in the imagining, to add value to the tale.

How Stories Catalyze Change

Of course, storytelling cannot substitute for changes in strategy, programs, budgets, incentives, personnel, measurement, and all the many, coordinated actions needed to transform a large organization. However, it is a tool that man-

agers can use to elicit decisions to implement such changes in the first place. Narrative can help leaders communicate the ideas behind an initiative throughout the organization. It can assist in mobilizing large numbers of employees, including entrenched managers, to support shifts that initially may seem strange and threatening.

Stories can be effective in supporting change in organizations for a number of reasons:

- 1. Storytelling is natural and easy.** We develop the ability to tell and follow narrative at such an early age—around two or three—that it is tempting to call the capability innate. By contrast, we don’t naturally practice abstract analysis, which involves mental exercises with non-living things; it is something that we must be trained to do, through many years of schooling.
- 2. Stories show the connections between things.** A good story holds disparate elements together long enough to energize and guide action, plausibly enough to let people make sense of what has happened, and engagingly enough to entice others to contribute their own inputs in the interest of applying the learnings to their own situation.

3. Stories help us cope with complexity. The world is a complex place. One of the ways in which humans have coped with such complexity for thousands of years is through stories. People in modern corporations do the same when they recount examples of notable successes or dismal failures, of individuals who went above and beyond the call of duty and those who fell miserably short of expectations, of leaders who walked the talk and those who betrayed the trust of their direct reports.

4. Stories bypass defense mechanisms. One element that attracts us to stories is that we can’t always anticipate where they are heading. For this reason, as we listen to a new tale, we usually suspend our standard defenses. In contrast, when we hear a formal presentation on an important topic, we generally have our critical apparatus ready to dissect, analyze, and appraise the proposal. In the case of a story, we don’t analyze it—we live it. The mindset is fundamentally different.

5. Stories are energizing. Analytic, step-by-step explanations are often tiring. By contrast, when we discover the story’s implicit idea and make

Continued on next page >

THE MADAGASCAR CASE

Stephen Denning shared this story within the World Bank to encourage knowledge-sharing.

It was near the end of 1998, and the team leader had a problem. He was heading a group of World Bank staff in Tananarive, the capital of the African island of Madagascar, in a comprehensive review of public expenditures in that country. The work was being done in collaboration with the government of Madagascar and a number of other national and international partners.

The team leader found himself at the center of a mounting controversy over the introduction of a value-added tax. The purpose of introducing the tax was to have a single tariff to replace a number of other individual taxes that had become cumbersome to administer and ineffective in raising revenue. The controversy concerned whether medicines should be exempted. Some were in favor of making an exception in order to advance the cause of healthcare in Madagascar, particularly for the poor. Others were concerned about making any exception from across-the-board implementation, because once one exemption was allowed, others were bound to appear.

In such a situation in the past, a team leader might try to persuade the other participants of the wisdom of her viewpoint.

Failing to do so, she would return to the World Bank headquarters in Washington, D.C., and consult with colleagues and supervisors about the issue. She would eventually get back to team members with the World Bank’s official position on the issue.

In this instance, as a result of the World Bank’s knowledge management program, what actually happened was quite different. From Tananarive, the task team leader sent an electronic message to his colleagues inside and outside the World Bank with expertise in the area of tax administration—a community that had formed over time to facilitate the sharing of knowledge in this domain. He asked for information on the global experience with the granting of exemptions for medicine.

Within 72 hours, the responses came to Tananarive from a variety of sources around the world. From these replies, the team leader could see that the weight of international experience was in favor of granting an exemption for medicines. He was able to report on the international experience in this area to the other participants. As a result, an exception was granted for medicines, and the public expenditure review was completed in a collaborative fashion. The organization can now capture and place this information in the World Bank’s knowledge base, so that staff and visitors to the web site can access it.

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new connections, we feel energized, interested, excited, and enthusiastic.

6. Stories can enhance or change perceptions. While every creative idea must be logical in *hindsight* (otherwise we could not appreciate its value), it isn't necessarily logical in *foresight*. In fact, if the idea is big, bold, and different, we will initially view it as *illogical* because of our preconceptions and existing frame of reference. Stories can make strange new ideas familiar, comprehensible, and acceptable to a potentially resistant audience.

7. Stories are easy to remember. Stories are mnemonics that enable people to reconstruct earlier events. In a well-told tale, the narrator provides a logical chain of events. Once the listeners grasp this sequence, they can recall it when it becomes relevant to their current reality.

8. Stories are inherently non-adversarial. When we hear a story, we don't usually question the facts or the logic of the plot. We tend to give the storyteller some leeway and wait to see where the tale leads. The shared imagining of the teller and listener creates a common space. As the storyteller watches the reactions of the listeners, he instinctively builds on and emphasizes the elements that are resonating with the audience. The audience senses that the storyteller is interacting with them and responds in turn. In this way, the teller and the listener create meaning together.

9. Stories are inherently non-hierarchical. With analytical arguments and abstract propositions, some people are deemed qualified to judge their validity—such as those with advanced degrees or greater levels of power—and others are expected to follow their lead. In contrast, narrative is inherently democratic. Although there are key storytellers and story-makers, all people have the capacity to determine whether a story coheres and rings true for them.

10. Stories engage our feelings. Stories engage our emotions and offer deep meaning because, by their nature, they are about the irregularities in our lives, the things that catch our attention as being different from what is

expected. For this reason, they arouse our curiosity or even fear. These deviations from the status quo potentially threaten our ability to stay in control of our lives; thus, we feel that we need to understand them so we can have a say in our future.

Two Stories in One

Stories aimed at eliciting change in organizations do not achieve their full impact merely by communicating the information contained in the plot. For instance, I do not tell the story of Madagascar tax administration because I want to inform people about the facts of the tax administration in Madagascar. These facts are irrelevant to my purpose, except as a pretext for getting

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the audience to see that knowledge-sharing across organizational boundaries is not only a real possibility, but also that it could be tremendously valuable for the organization.

Thus, there are, in effect, *two* stories that the storyteller is trying to convey to the listener. One is the *explicit* story that the storyteller narrates to the listener—what happened in tax administration in Madagascar. The other—and by far the more important—is the *implicit* story that the listeners themselves invent—a unique tale of how something similar to what occurred in Madagascar could occur in their own work environments. This second story gets created as the listeners' project their context, problems, hopes, and aspirations on the plot—and cannot even be imagined by the storyteller, who has no access to the necessary inputs that are in the listeners' heads.

If the narrative does its work properly, the stories that the listeners invent will be similar to those that the storyteller attempted to elicit and sig-

nificantly overlap with each other. Furthermore, the listeners will believe in the stories that they create, because they themselves have invented them. Even better, they are likely to tell the stories to others. In this way, the narrative acts as a springboard for change. In effect, the power of using a story to elicit change comes not from the story itself, but from the reaction that it elicits in the minds of the audience. The inputs that the listeners contribute make the difference between a story that merely transmits information and one that successfully catalyzes change (see "The Power of Narrative").

How to Craft a Story That Sparks Change

Stories that are likely to elicit change include the following design elements:

- 1. The story must be understandable to the audience.** The protagonist should be in a predicament familiar to the particular audience, preferably the very plight that the change proposal is meant to solve. For instance, in the Madagascar story, the predicament was familiar to people who work for the World Bank, and it illustrated the use of knowledge management. The intended audience could understand and emotionally engage with the tale of a task team leader who didn't have—and urgently needed—the know-how to satisfy a particular client.
- 2. The story should be told from the perspective of a single protagonist.** Audiences tend to have more difficulty sympathizing with stories with multiple protagonists than with those with a single protagonist. Narratives with a single main protagonist are generally more successful, because they engage the listeners' emotions with one specific predicament.
- 3. The protagonist should be prototypical of the organization's business.** In particular, she should reflect the organization's core activities; for instance, if it is a sales organization, the protagonist will likely be a sales representative.
- 4. The story should have a degree of strangeness or incongruity for the listeners.** If the story is a cliché, the audience won't listen or learn; it must

violate the listeners' perceptual frameworks in some way. The violation occurs either because something unexpected happens—such as new characters, relationships, or data—or because an expected event does *not* take place. For instance, in the Madagascar story, the audience is surprised that the task team leader could contact many people around the world and quickly get the answer to a complex technical question.

The element of strangeness is always specific to the particular audience. What is new to one is commonplace to another. An in-depth understanding of the organization or community can thus help the storyteller detect what might be fresh and unconventional in that setting and judge what reception the tale will receive.

5. *The story must not only be strange, but also eerily familiar.* If the story is too exotic, it will fail to spring the listeners to a new level of understanding of their own situations. The story must epitomize the change idea, almost like a premonition of what the future might be like.

6. *The story should embody the change proposal as much as possible.* The story should reflect the change

idea as a whole as much as possible, rather than just a small part of the process. If no such story exists, then the narrator might extrapolate from something that did happen. If the narrator builds on a true story, she should be explicit about doing so, to avoid any later accusation of massaging the facts.

7. *If possible, the story should be true.* People find true stories more persuasive than made-up ones. The use of names and photos of the participants, and the specific dates when things occurred, can enhance authenticity.

8. *The story should be reasonably recent.* The fact that the Madagascar story was fresh when it was told helped contribute to its relevance and believability.

9. *The narrator should tell the story as simply and as briefly as possible.* The complete Madagascar story takes only a few minutes to tell. The narrator does not spend time on getting the listener to know the quirks and personality of the protagonist, how he looked and felt, the sights and sounds of Tananarive, or the smell of the tax administration building where he was working—tools that professional storytellers often use to immerse their audience in a story. In this case, the narrator leaves a

lot to the listeners' imagination, including only those details that illustrate knowledge-sharing. Speed and conciseness of style are appropriate here, because the storyteller is less interested in conveying the details of exactly what happened in Madagascar than he is in sparking new ideas in the minds of the listeners about how they might implement knowledge-sharing in their own environments.

10. *The storyteller doesn't let herself become the story.* Someone who aims to elicit organizational change through stories doesn't need to recount his tale with the panache of a Charles Dickens or a Mark Twain. These authors' voices are so present and visible in their stories that we are immediately impressed by their personality and narrative style. Their intensive technique grabs us by the lapels and compels us to look at things in a certain way that can be almost adversarial. They come on so powerfully that they don't always leave much space for the readers' thoughts. In our context, it is more relevant to think about the minimalist stories of Raymond Carver. Remember that we are aiming to leave lots of space for the listeners to invent their own stories, use their imagination, and fill in the blanks.

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THE POWER OF NARRATIVE

For several thousand years, academia has been telling us that the fascination of human beings with narratives is a sign of backwardness; and that it is only due to our childish lack of intellectual discipline and our irrational attachment to folk psychology that we waste such a regrettable amount of time on stories. Be that as it may, the stubborn attachment of humanity to narrative is still with us. Narrative is the way human beings actually manage to understand and interact with other human beings in the world. It has been that way since time immemorial. It doesn't look like it will change any time soon. So if we want to understand the world of human beings—and organizations are full of human beings—we really have no choice. We have to understand narrative.

Even more important, narrative offers not only the prospect of understanding human beings and their organizations but also the possibility of being useful for action. Initially, I had stumbled on the power of narrative to change even a change-resistant organization and started holding classes to teach executives from other organizations how to use this tool. As human beings are all storytellers, I found that this coaching was more in the nature of reminding people what they already know how to do, rather than teaching them anything new.

As I learned more about storytelling, I discovered that within the apparent simplicity of narrative was concealed a multi-

faceted tool that could be used to handle a wide range of central organizational challenges:

- How could you weave groups of different individuals together so that they worked as teams or communities?
- How could you induce people to share their knowledge when they suspected that the object of the exercise was to render them expendable?
- What could you do when a huge negative rumor got going?
- How could you preserve and enhance the good values of an organization and transfer them to new recruits?
- How could you get people to know the person you truly were and not consider you just another "suit"?
- How could you lead people into the future so that they were keen to follow?

As I travel the world disseminating this tool for understanding and action, I find that it has a particular relevance and applicability to the uncertainty that has emerged at the outset of the 21st century, when we are thrown back on our own original primeval sources for coping with turbulence and complexity.

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The goal is to foster collaboration, get people to learn about themselves, and support them as they co-create a new future.

Do Stories Always Work?

Storytelling is not a panacea for eliciting change in organizations. It can only be as good as the underlying ideas being conveyed. If those ideas are bad, people will see through even the most engaging story. But even when the underlying ideas are good, there are times when storytelling is ineffective. Sometimes the listeners simply don't "get it" at all.

For instance, there are people who have listened to my stories of knowledge-sharing and instead of gleaning the underlying idea, have instead pressed me with questions such as: *Where is Madagascar? Why didn't the task team leader already know the answer to this question? What is the level of taxation in that country?* When this happens, we are getting into a discussion of the explicit story: tax administration in Madagascar and economic policy and so on. These are all interesting issues, but such a discussion indicates that the narrative has failed to elicit the implicit story and spring the listener to a new level of understanding of the possibilities of knowledge-sharing and organizational change. Knowledge-sharing has little to do with Madagascar or its tax system and everything to do with what is happening in the work environment of the individual listeners.

When listeners raise such questions, it means that the story has transported them to Madagascar and then left them there, stranded. They have failed to make the return journey to their own organization and their own environment. This happens when they don't find the context of the story intelligible or clearly relevant to their own circumstances.

These occasions when storytelling falls short of its goal illustrate how dependent a story is on the shared background of the audience. With those who don't know what it would be like trying to get the answer to a complex question of tax administration on the other side of

the planet, or how amazing it would be to be able to get a broad spectrum of advice from knowledgeable colleagues from around the world, or how to make an analogy to the challenges they themselves face in their own work situation, the story could be a total failure in terms of sparking organizational change. But where an audience understands the background and the context, the Madagascar story—and many others like it—has been extraordinarily effective.

The Impact of Storytelling

When a story works well with its audience, it embeds a new way of looking at the world in the listeners' minds and induces new opportunities. In the process, an understanding of the potential of the change idea—in this case, it is knowledge-sharing, but it might be any number of complex change initiatives—can erupt into the collective consciousness, producing a sudden coalescence of vision in the minds of the listeners. The provenance of these thoughts—in this instance, the story—is not important. What matters is the fact that the narrative inspires insight and, in turn, action. The spark that starts the fire is less significant than the conflagration that then takes place as the organization adopts innovative approaches to doing business. ■

NEXT STEPS

Start small. The next time you must describe a new process or procedure to someone else, illustrate with a short, vivid anecdote.

Start a log or database of happenings that reflect key aspects of the change process in your organization.

Think about how you might bring your organization's history and values to life for a new hire. You might recount stories about people who either exemplified or violated those principles. In doing so, you'll want to avoid using real names or identifying characteristics.

Practice crafting stories and telling them to others. Find a partner who is also interested in the power of narrative for advancing organizational transformation.

Stephen Denning is former program director of knowledge management at the World Bank, Washington, D.C. He is also the author of *The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations* (Butterworth-Heinemann, 2000). The views expressed in this article are his own and do not necessarily reflect those of the World Bank. Additional background on knowledge management by the same author may be found at <http://www.stevedenning.com>.

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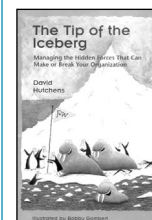
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