Telling stories to build reputation

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Abstract

The characteristics of corporate storytelling make it an excellent medium for an organisation to connect with employees on a more personal level and can aid in the retention of information valuable to building employee engagement. Staff who are more engaged with, and have a deep trust for, their employer are more likely to feel buoyant about their work and conduct themselves in a constructive manner. This can result in employees becoming reputation champions for the organisation through the way they engage with their external stakeholders.

Keywords: storytelling, reputation, employee engagement, internal communication

Introduction

This paper aims to demonstrate the concept of storytelling as a public relations (PR) strategy has significant benefit for employee engagement and improved corporate reputation through making employees the organisation’s reputation champions. Current literature reflects the principle of a direct link between the use of corporate storytelling, heightened employee engagement and improved reputation. However, the convention of storytelling as a sound strategy for building internal reputation and corporate brand is not evidenced in research data reflecting contemporary PR practice in organisations.

The paper discusses how storytelling is a valuable internal communication strategy and highlights the commonly identified characteristics to good corporate stories. PR literature traditionally focuses on propositional content without directly linking the effectiveness of internal communication with storytelling (Mohan, McGregor, Saunders & Archee, 2008; Harrison, 2008; Macnamara, 2005; L’Etang, 2008).

This paper provides evidence from academic literature that illustrates how employee engagement is enhanced through corporate storytelling, making staff more buoyant about their working life. This may ultimately lead to improved stakeholder engagement, due to more enthused and motivated employees becoming the storytellers on behalf of their organisation to external stakeholders.
Narration that is targeted at building brand and reputation is an effective public relations strategy for engagement with internal and external stakeholders through its ability to reach out and connect with each audience. Narration and stories are applied in the same context for the purpose of this paper, even though some theorists argue that narrations are fragments that collectively go towards creating a story (Polkinghorne, 1988; Denning, 2005; Gabriel, 2000). Such engagement plays a crucial role in reputation for an organisation, both internally and externally, through improving staff satisfaction and building better understandings on the desired brand values (Louisot, 2006; Donaldson, 2006).

The ability of internal staff to represent the organisation’s values and goals through their interaction with external stakeholders is central to drawing worth from the intangible asset of reputation (Ballow, 2004; Dowling, 2006). The desired corporate brand can be enthusiastically relayed externally via business and social dealings between happy and sincere staff and the organisation’s stakeholders.

Through the use of stories, organisations are able to engage with staff at their own level and galvanise a positive internal reputation, which is then externally represented through constructive employee interaction with other key stakeholders.

Methods of investigation

Contemporary academic writings under the theme of corporate storytelling (organisational storytelling) have been reviewed in order to establish if a link exists between storytelling, heightened employee engagement and improved reputation. Literature was also reviewed in order to identify empirical data highlighting the use and benefits of storytelling as a PR strategy to improve employee engagement. No discrimination was applied to the origin of the information, although Australian literature is strongly represented, and references have been included from many different backgrounds.

The literature reviewed also aided in defining the concepts for effective corporate storytelling, employee engagement, intangible assets and external reputation.

There were a number of primary benefits relating to the use of storytelling in the organisation that were commonly identified by three or more authors from the reviewed literature. These included:

- Storytelling is an effective means of communicating with internal employees (Post, 2004; Kaye, 1995; Denning, 2005; Sinclair, 2005)
- The use of stories by management is more engaging and appealing with employees (Prusak, 2005; Kaye, 1996; Simmons, 2006; Dowling, 2006)
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- Story objectives can remain the same, even when the content is adapted by the narrator to make stories more personal (Lawrence & Mealman, 1999; Gardner, 2004; Sinclair, 2006)

- Knowledge presented through narration is more believable as receivers apply their own interpretation and experiences to the information (Boje, 1991; Sinclair, 2005; Simmons, 2006; Hansen, 2008)

- Effective corporate stories appeal to emotions and have a lifecycle relating to the organisation (Dowling, 2006; Denning, 2005; Prusak, 2001; Fryer, 2003; Brown, 1995)

- Employees may adopt a notion of ownership over corporate narrations and stories by applying their own experiences to the message (Harris & de Chernatony, 2001; Drucker, 1989; Mohan, McGregor, Saunders & Archee, 2008)

- When employees are comfortable with their organisation’s values and work practices they become important assets to enhancing company reputation (Post, 2004; Beder, 2002; Herman & Gioia, 2004; Leary-Joyce, 2004; Dowling, 2006).

The above identified benefits demonstrate the link between storytelling, employee engagement and reputation. An observation from the literature is that the use of storytelling was often aligned with change management and organisational culture, with little reference to narration and stories being a PR strategy for engagement (Dowling, 2006; Harris & de Chernatony, 2001; Drucker, 1989; Prusak, 2001). A research gap in the literature is the absence of quantitative and empirical data on the use of corporate stories by PR practitioners and communication managers and their effectiveness under business conditions. This missing research is not addressed in this paper, but is a recommendation for further investigation.

Storytelling

Storytelling has been an effective form of communicating a message for thousands of years. Storytelling is a phenomenon that is fundamental to all nations, societies and cultures, and has been so since time immemorial, according to Denning (2005). The use of narration through stories has the ability to transcend age-groups, cultures and genders and captures the imagination and attention of listeners regardless of background. Telling a meaningful story can be a valuable strategy in separating constructive communication from the ‘mundane message overflow’ (Sinclair, 2005). It may also inspire listeners to come to the same conclusion as the narrator through using their own decision-making processes (Simmons, 2006).
Employee interpretation is an emotional and cognitive response (intrapersonal communication) to information (Mohan, 2008). Stories can tap into personal elements enabling the presenter (narrator) to construct a believable picture for receivers in tune with their own ideas and goals, making the narration more captivating (Sinclair, 2005; Simmons, 2006). A story can add a personal component of understanding and connection that statistics alone cannot achieve (Hansen, 2008). According to Lawrence and Mealman (1999) meaning is derived through reflection on experience as the way people make sense of situations they encounter in their daily lives, and the value added by stories and metaphor can be substantial.

According to Sinclair (2005), stories can have both high social presence that bring people physically and psychologically closer, and media richness through a variety of media. Sinclair (2005) goes on to say stories carry symbolic information and convey meaning, as well as greatly enhancing commitment and recollection.

Howard Gardner’s (2004) research in the field of cognitive psychology supports using stories to change people’s minds and reinforce opinions, which complements many objectives for a successful PR internal communication program. Gardner is a strong advocate of business leaders using this approach. Storytelling decreases the suspicion of a hidden agenda resulting in true influence (Sinclair, 2005). Stories share knowledge amongst those present who interpret the narration in line with their own experiences, allowing personalized cognition about problems, solutions, and explanations (Denning, 2005).

Therefore, storytelling is a natural and engaging way of communicating across a diverse audience often characteristic of organizations, as stories allow listeners to tap into their own personal elements and reach the same conclusion as the desired conclusion of the narrator. However, literature shows that over time organizations and corporations display little evidence of utilizing this medium to engage with their staff and other key stakeholders (see for example, Boje, 1991; Denning, 2006; Hansen, 2008; Kaye, 1996; McConkie and Boss, 1994; Shamir, 1998; Wilkins, 1978; Witherspoon, 1997).

Corporate storytelling

Corporate storytelling is the process of developing a message that creates a new point-of-view or reinforces an opinion or behaviour by using narration about people, the organization, the past, visions for the future, social bonding and work itself (Wilkins, 1978; Witherspoon, 1997; Kaye 1995). Stories offer a way to motivate people and create a message memorable enough for people to take cause and action. Corporate stories have an objective beyond being just entertainment, including changing or reinforcing behaviour, values and opinion (Prusak, 2001; Kaye 1996).

Typically, corporate stories have been used to emphasize safety, wellbeing and risk (Prusak, 2001; Work Safe Victoria, 2004; Wilkins, 1978).
However, internal communication value also lies in corporate storytelling as a way of persuading, motivating and inspiring employees about their employer and strengthening internal loyalty (Simmons, 2006).

Storytelling already plays an important role in the world of organisations, business and politics today, and has developed into a valuable method for engendering culture into an organisation, although often not formally recognised in its own right (Denning, 2005; Dowling, 2006; Kaye, 1995; Boje, 1991; Prusak, 2001). The role of public relations through storytelling is to ensure the content is appropriate to the communication objective and that the audience has the ability to comprehend the message of the story (Harrison, 2008). This makes storytelling an ideal mode for delivering communication that is engaging and relevant to the employee ‘in situ’ (Boje, 1991).

Leading companies are increasingly recognising the need to train leaders in the use of artful narrative to inspire and guide their organisation to respond effectively to strategic challenges (Denning, 2006). Yet, the use of storytelling as a PR strategy does not have strong representation in the key contents of leading global PR handbooks and texts (see for example: Mohan, 2008; Tymson & Lazar, 2006; Harrison, 2008; Skinner, Von Essen, Mersham & Motau, 2009; Theaker, 2009; Cutlip, Center & Broom, 2006).

A key benefit of storytelling is its universal appeal to culturally rich audiences who have diverse interests and learning styles. Many large organisations have a range of stakeholders. Stories provide a flexible framework for a corporate storyteller to reflect the company’s position in line with the selected interests of the particular stakeholders for whom it wants to make an impression on (Dowling, 2006). Through stories the PR practitioner can foster trust and support for the organisation by creating an emotional bond with employees as a result of explaining the behaviour of a company in terms of its mission and morality (Dowling, 2006).

People are in information overload in today’s business world and more traditional forms of communication in an office may be contributing to this (Simmons, 2006). A personal means of communication through stories can be more effective for business information that relates to specific tasks and roles. Knowledge that is fertile in tacit dimensions is commonly transferred informally by means of socialisation and internalisation through two transfer mechanisms—mentoring and storytelling (Swap, Leonard, Shields & Abrams, 2001).

Fundamentals to good corporate stories

There are number of fundamental concepts evidenced from the literature that PR practitioners need to consider when using stories in corporate communication. Included below is a snapshot of the key concepts.

McKee (Fryer, 2003) proposes a ‘good’ corporate story expresses how and why life changes. It begins with life in relative balance, until an ‘inciting incident’ (e.g. change of manager, an incident or a change in the market) upsets
the balance. The engaging narrator can then describe how to restore the balance through a ‘call to action’.

Dowling (2006) suggests the main purpose of a corporate story is to create interest in that organisation, either to an internal or external audience, which helps to shape the expectations of the stakeholders. Corporate stories unfold over three parts: yesterday, today and tomorrow. He suggests that planning for corporate stories follow the lifecycle models, including where the organisation has come from, where it currently is and where it is heading (Dowling, 2006). For example, providing a strong understanding of the origin of the company, how and why it grew and where it hopes to head in the future. Employees become part of the history of their organisation and have a sense of belonging to the current status of the organisation.

Denning (2006) proposes using more of a springboard approach for the ‘future part’ of the story, where the future is kept vague so that listeners are encouraged to be part of the solution and direction. This provides employees with a sense of contributing to, and ownership of, the strategic planning for the organisation.

Prusak (2001) suggests four attributes to a good organisational story: endurance, salience, sense-making, and comfort level. Stories need to endure. Durable stories may have changed names and circumstances, but the behavioural lesson remains the same. Salience refers to relevance and punch in the story. Prusak (2001) recommends three things to make a story salient: wit, succinctness and emotional power. The explanatory ability of the story relates to sense-making; meaning that is true to the receiver’s own experience. Finally, receivers need to be comfortable with the feeling they get from the narration. Information that is too confronting or outside the parameters of their own experiences can be blocked out.

Rossiter and Bellman (2005) state that an organisation needs to project expert, sincere, likeable and powerful characteristics through its stories if it aims to enhance reputation. Expertise fosters esteem and respect. Sincerity promotes trust and corporate citizenship. Stakeholders will identify with the organisation if they like what it stands for. Finally, organisations are considered to be leaders as a result of their perceived power. An example may include the storyteller validating their expertise, developing a personal connection with their audience that results in emotional trust and good intentions, which allows the organisation to assume leadership.

Many of the above concepts have a role in creating a good corporate story, depending on the objective of the narration. Common themes from these concepts include: an inclusive approach, emotional content, relevance and promoting trust. A key consideration for public relations practitioners when developing narration for organisational stories is to stay true to the organisation’s identity and brand. Stories must not lose sight of who the organisation is, what it offers and what it stands for (Dowling, 2006; Fombrun, 2005).
Limitations to corporate storytelling

There are many deliberations to corporate storytelling that can affect its ability to fulfil public relations objectives. Below is a list of identified considerations that need to be taken into account with respect to stories and communication objectives.

Corporate storytelling is but one public relations method that can be used as an effective means to communicate and persuade. It is necessary to consider the theory of varied communications in order to provide the opportunity for shared meaning across a diverse audience (Mohan et al., 2008).

The ability of the audience to practice analytical thinking through other methods of communication means that the decision-making process isn’t replaced by storytelling. Storytelling supplements decision-making by enabling employees and communicators to imagine new perspectives and is more ideally suited to communicating change and stimulating innovation (Denning, 2005).

Storytelling as a less formal approach to information exchange still applies the general principles of effective communication (Harrison, 2008). Consideration for the audience, their abilities, aspirations and their motivations are still critical to the foundation of any good communication plan (Dowling, 2006). Narrative patterns must consider the desired goals and objectives for the storytelling in line with leadership and desired outcome (Denning, 2005). Careful planning in line with ‘good’ communication practice applies equally to storytelling when used in a business environment.

Time and location considerations may influence and restrict the practicality of the more personal approach to storytelling. Even though podcasts and video-streaming can overcome the variables of distance and time-zones for storytelling, the face-to-face delivery that involves a more personal approach is somewhat lost through these media (Harrison, 2007; Macnamara, 2005).

The tone and pitch of the story need to be constructed in a positive format in order to incite productive action. It is important that the narrator composes the story from a perspective that will resonate positively with the audience. Using a story of a negative tonality will generally fail to spark action, as opposed to a springboard story which communicates complex ideas and launches people into action (Denning, 2006).

The composition, style and delivery of the narration will have a critical effect on the outcome of an organisational story. Research on the target audience and reflection on the desired outcome of the communication still play essential roles in the use of storytelling. Public relations practitioners need to focus on storytelling as ‘one tool from the toolbox’ for delivering verbal information, when face-to-face delivery is established as the most effective medium (Harrison, 2007, Mohan et al., 2008).
Building brand and loyalty internally

Corporate storytelling can be an effective PR strategy to engage with both internal and external stakeholders. A key objective of internal communication is to advance employee commitment to the organisation through developing and reinforcing the brand values. An important element to the brand, from an internal perspective, is the organisation’s measured support for staff and its responsibilities within the community (Harrison, 2007; Macnamara, 2005). Storytelling, as demonstrated, is an ideal method for engaging with staff on their organisation’s corporate brand.

Storytelling may provide the ‘cut-through’ that traditional business communication struggles to achieve with busy employees. Employees, generally, have a vested interest in information that relates to their own wellbeing and opportunity for advancement. According to Green (1998) adults often seek out information they can use to improve their position or make a change for the better. Engagement with staff on issues, such as what motivates them and aligns with their values, has primary importance for employers (Green, 1998; Boje, 1991). Many organisations already have in place policies and practices that complement what employees’ desire from their employers (Hewitt, 2003; Hull & Read, 2003). But effectively communicating this to staff can be problematic through traditional modes of business communication, such as: policy documents, intranet and email (Harrison, 2007, Mohan et al., 2008).

The use of narration via face-to-face stories is one of the most valuable methods for engaging with staff about their organisation’s brand values. According to Sinclair (2005) the richest communication medium in the hierarchy of internal organisational communication is face-to-face engagement, which complements the use of personalised narration.

Leaders within an organisation can use stories to fast-track trust and credibility, both internally and externally (Naidu in Hansen, 2008). Gaining employee trust is critical to building a healthy internal reputation and opening the lines of engagement with employees (Dowling, 2006). As narratives have a powerful cognitive impact, organisations can take advantage of storytelling opportunities to build on their engagement with staff, using the advantages outlined above to ensure the right messages and branding are being shared with, and understood by, employees (Sinclair, 2005).

The significance of narration regarding an organisation’s values endures beyond the original delivery, as it has the capacity to become a story in itself told by employees (Prusak, 2001). Employees take ownership of relevant information from corporate stories, passing on appropriate information to colleagues and other stakeholders. In a sense, stories generate brand value like business relationships, commitment and discussion on vision and values, along with enabling employees to share and understand organisational culture and opportunity (Sinclair, 2005).
Management within organisations can effectively use storytelling to engage with employees, generating a deeper trust and enhancing loyalty. Storytelling opens up a more human and personal side of management by providing a clearer picture of the social system through the process of relaying information in story format (Simmons, 2006). Stories enable staff to identify with the narrator on a more personal level and take a form of ownership over how the brand is represented.

Reputation and corporate brand

Employees play a central role in organisation’s reputation through their interaction with stakeholders, the way in which they represent the brand through their work practices and their attitude towards their employer. PR practice plays a critical role in engendering the values for the corporate brand through internal communication (L’Etang, 2008).

The corporate brand is considered to be what stakeholders perceive the organisation as, while reputation is the esteem in which the organisation is held (Beder, 2002).

An organisation’s brand and reputation are important assets that need to be nurtured and protected, and need to be considered for their value in line with all other assets (Beder, 2002).

An organisation’s wealth is increasingly attributable to ‘soft forms’ of capital—reputation, trust, goodwill, image and relationships, commonly referred to as intangible assets (Post, 2004). These intangible assets, which originate from inside the organisation, undeniably deliver value to the company according to 96 per cent of executives polled in an Accenture Survey (Post, 2004). Other previous Accenture surveys have also shown that in 1980 the book value of a company comprised 80 per cent of its market value. In 1990 the book value comprised 55 per cent, while intangible assets comprised 45 per cent of the market value. In 2002 only 25 per cent of a company’s book value was reflected in the market value, with intangibles ballooning to 75 per cent (Donaldson, 2006).

Fombrun and Shanley’s seminal model (1990, p. 235) hypothesises that corporate reputations represent the public cumulative judgements of organisations over time, which in turn affect the organisation’s relative success in fulfilling expectations of multiple stakeholders. Public perception (reputation management) is shaped by the media and the stakeholders’ experiences with the organisation (L’Etang, 2008).

Employees - reputation champions

Organisations must pay attention to the worth of making employees the organisation’s reputation champions (Campbell, 2004). Narrative communication with internal staff is ideally placed to significantly contribute to reputation
management and building a strong corporate brand for the company (Dowling, 2006).

Stories are a natural medium to represent an organisation’s significance, values and mission, along with demonstrating to employees those elements held in importance by the employer (Gardner, 2004). Employees who are comfortable with their organisation’s values and work practices are important assets to enhancing their employer’s reputation (Herman & Gioia, 2004; Leary-Joyce, 2004). The task facing public relations is to craft a corporate story with style and content appropriate to help build and promote the company’s good reputation through internal stakeholders (Dowling, 2006; Kaye 1995; L’Etang, 2008).

According to Harris and de Chernatony (2001) employees constitute the interface between a brand’s internal and external environments and can have a powerful impact on consumers’ perceptions regarding the brand and the organisation. In a sense, employees are recognised as brand ambassadors through their emotional interactions with other stakeholders: as a source of information, a service, at the point-of-sale and as a provider (Harris & de Chernatony, 2001). In order for employees to be able to represent the organisation’s desired corporate brand with external stakeholders in a credible and influential manner, staff need to have faith in the narrative. This means aligning their interpretation and trust in the content of the story regarding the organisation’s corporate brand, values and identity. Content of the message needs to be carefully crafted by PR practitioners in order to reinforce the virtue of the organisation internally (Dowling, 2006). It is the obligation of the organisation to align work values and behaviour of employees with the desired brand values that reflect the economic, social and environmental responsibilities of the organisation (Harris & de Chernatony, 2001). Employees who are ‘on-board’ with the organisation’s representation of the brand, in effect, become the organisation’s reputation storytellers (Post, 2005).

Drucker (1989) describes individuals who carry knowledge on organisations as a powerful resource, which the individual owns rather than the organisation. In terms of reputation, the benefit is two-fold: the employee has custody over the formation of their knowledge, and the employee has a deep belief and trust in the conviction of their knowledge - having formulated their own meaning through interpretation (Mohan et al., 2008). Therefore, the conveyed meaning regarding the virtues of the organisation through the employee to external stakeholders has greater passion.

Greater conviction and belief in the brand and the positives it stands for by the employees will strongly contribute to expressing this belief among the various stakeholders associated with an organisation; strengthening the desired reputation (Louiset, 2006). Stories and narration passed on to employees by leaders within the organisation are interpreted and adopted by staff, then relayed in alignment with the interests of the various stakeholders. The best way
to manage reputation through narration is to ensure all insiders are involved and all outsiders' interests are taken into account (Louisot, 2006). Employees take ownership of the message, resulting in stronger credibility and trust in the content of the message by the receiver, who has an established relationship with the employee (Mohan et al., 2008). Reputation for the brand is fortified as a result of the employee's belief in their organisation. A belief generated, in part, through stories from within the organisation.

Conclusion

Corporate storytelling has a powerful role to play in building a stronger engagement with employees, and a positive reputation for organisations. Corporate storytelling can enrol employees as co-narrators of the corporate narrative and thereby strengthen organisational reputation.

The literature reviewed in this paper robustly supports the concept that stories have a valuable role to play in internal corporate communication. Primary benefits have consistently been identified within the literature relating to the use of narration and corporate stories as a means of engaging with employees and engendering a culture of value-sharing and ‘living the brand’. Carefully planned narration delivered through a story reaches out to the employees at a more personal level, strongly improving the potential for recollection and commitment for the corporate message.

Employees can then become the reputation champions for their organisation, simply by adopting and adapting stories that positively represent the organisation through making the narration more applicable to the particular stakeholders they encounter. Corporate stories encourage internal staff to take ownership of the narration and align the message to their own experiences. This enables employees to externally represent and communicate the brand and values of their employer more effectively due to the deeper understanding and professional relationship that they share with the associated stakeholders.

The next phase for this research is to analyse to what extent corporate storytelling is currently used by PR practitioners and corporate communication managers. Gathering empirical data on the use of corporate stories and the objectives behind their use will provide deeper insight into the practice of corporate storytelling.

Further research of interest would involve analysing PR practitioners’ understandings of corporate storytelling as a strategy in relation to its effectiveness, the techniques used and the future direction for corporate narrative. Research into how to measure the effectiveness of corporate stories against PR objectives would also need to be established.

This paper has demonstrated that corporate storytelling has a genuine capacity to improve employee engagement, thus ultimately strengthening an organisation’s internal and external reputation. This concept should be afforded stronger representation in the traditional public relations strategy planning.
References


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