Narrative vs. PowerPoint: For Leaders, It May Not Be a Matter of Fact

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Narrative vs PowerPoint: for leaders, it may not be a matter of fact

Michael Carriger

What learning actually takes place when the CEO of the organization delivers a PowerPoint presentation outlining corporate strategy — replete with facts and figures, graphs and charts — at an All-Hands meeting? As a test, one organization that had experienced rapid growth over the past five years, as well as shifting strategic priorities, interviewed key managers three months after such a presentation. The study revealed that the managers, from various functional areas within the organization, had different ideas about what the corporate strategy was. (See box, “Strategy? What employees didn’t learn from the PowerPoint show alone.”) Some saw the corporation as focusing on differentiation, others interpreted the strategy as being close to the customer, and a few believed that the goal was to be low-cost leader.

Why couldn’t these managers identify a consistent, comprehensive corporate strategy? Was the CEO’s PowerPoint presentation less than clear? Were the graphics not compelling enough? Is there a disconnect between the strategy stated in the PowerPoint presentation and the actual strategy employed in the day-to-day activities of the corporation? Or could it be that PowerPoint presentations of facts and figures, charts and graphs, and colorful graphics are just not the most effective way to explain strategy? Given these uncertainties, there’s a case to be made that corporations need replace their PowerPoint presentations with a program that includes a memorable narrative or story that will make strategy persuasive and memorable — one that will capture hearts and minds as well as drive strategy.

This is the story of how one company, a medium-sized, defense contractor, implemented such a program. But before describing the process, a review of the research that supports this approach is in order.

The Denning methodology

One researcher, Steven Denning, has written numerous articles demonstrating how narrative can be a formidable tool in the hands of a skillful business leader. He concludes that “the choice for managers in organizations is not so much whether to be involved in storytelling — they can hardly do otherwise — but rather whether to use storytelling unwittingly and clumsily or intelligently and skillfully.”

Denning argues that although analysis drives business decisions, in order to motivate employees to achieve business results, leaders must use narrative to energize and motivate those employees. Specifically, a good leader needs to use a compelling narrative to inspire followers to achieve business goals and link actions in a causal sequence to business outcomes. Denning describes two specific kinds of narratives that he sees as particularly suited to leadership environments:
The “springboard story” – a concise, positive, action-oriented narrative aimed at communicating complex ideas and inspiring action in listeners.

The “identity story” – an authentic, revealing narrative laced with humor that is aimed at conveying the leader’s identity to followers.

Denning describes seven general uses for narratives:

- As a “springboard story” to convey complex ideas and motivate others to action.
- To transmit knowledge and understanding.
- As an “identity story” to convey who you are as a leader.
- To transmit values.
- To generate high-performance teams.
- To neutralize harmful rumors.
- To outline the future and explain how the business needed to adapt.

All facts aren’t equal

An earlier theorist, John Searle, offers a model that could be used to explain why narratives might be such a useful tool for leaders. Searle argues that there are three types of facts. There are brute facts, such as “hydrogen atoms have one electron – totally independent of any human opinion.” There are social facts, which are facts that a group agrees are facts. And then there are institutional facts; these are the socially constructed facts. Believable stories or narratives are examples of institutional facts according to Searle.

Searle argues that institutional facts emerge spontaneously out of social facts. If this is the case, it may require another institutional fact, a narrative, to insure that there is consistent and accurate understanding of brute facts as they are transformed into social and then institutional facts. For example, in an organizational setting an employee might look at all the various decisions and actions that are made on a daily basis and conclude that there must
be some consistency and comprehension to these. Through social interactions, exchanges of stories about these decisions and actions and meetings and events, the social group decides that, in fact, a strategy must exist and identifies what they think this strategy must be. This would be corporate strategy at the level of a social fact. As the notion of this spontaneous, idiosyncratic corporate strategy is passed on to succeeding generations of new employees in the organization it becomes “just the way things are done around here” or perhaps more insidiously, “just the way we do things in this department or functional area.” This would be corporate strategy at the level of an institutional fact (Exhibit 1).

So narratives used by leaders can either help groups within the organization create social and then institutional facts more in line with the brute facts or more in line with interpretation of the brute facts that the leader desires. Or, narratives can help leaders to counteract spontaneously occurring narratives by reconstructing institutional facts more in line with the leader’s interpretation of the brute facts.

Crafting the corporate story

But how can this be done? Another researcher, Morgan Marzec suggests that a “corporate story” helps employees understand a common vision for the future, shows employees a path to follow to success, aligns leadership within the corporation, and drives consistent decision making and action within the corporation. In other words, the use of narrative by leaders may facilitate one of the most difficult challenges facing them, the dissemination of a well-defined strategy through the organization. Marzec argues that a deliberate, focused approach must be taken to craft the “corporate story” and it must be grounded in individual experience; visual, clear, and concise; an achievable stretch; forward thinking; and connected to observable possible behavior.

Exhibit 1 Model

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“\textbf{What learning actually takes place when the CEO of the organization delivers a PowerPoint presentation outlining corporate strategy \ldots at an All-Hands meeting?}”
The case

A medium-sized, defense contractor is in the midst of implementing a comprehensive internal communication program—one that develops and carefully reinforces a cogent narrative—to communicate corporate strategy. The internal communication program (see Exhibit 2) has four components: a Corporate History Intranet Site, a story told at the annual All-Hands meeting, a monthly column in the corporate newsletter and a synopsis for quarterly department Town Hall Meetings that supports the story told at the All-Hands Meeting.

The Corporate History Intranet Site was conceived as a repository of corporate history told through stories. The intranet site was designed to contain a timeline with links to yearly archives. The archives contained stories and photographs about what happened that year of significance. The intranet site also contained a blog posting, with entries written by various managers and employees, focused on concrete representations of the corporate strategy. Further, the intranet site included a multimedia window that contained a video of various employee interviews. In the video, employees talked about the corporation, its history and corporate strategy. Finally, the intranet site contained an interactive section that allowed employees to ask questions and, by employing Wiki technology, allowed any employee to post answers. An Internal Communications Committee made up of members of Human Resources, Corporate Services, and Business Development was convened to be responsible for and maintain the intranet site.

A new corporate story

This year, for the first time the annual All-Hands presentation by the CEO featured a “corporate story,” crafted by the Internal Communications Committee. The story supplied a narrative to illustrate the version of corporate strategy presented in the usual PowerPoint presentation.

Reinforcing the narrative presented at the All-Hands meeting, a synopsis of the key points was prepared by the Internal Communications Committee that could be used by department heads at their quarterly department Town Hall Meetings. The key points included some of the facts and figures presented at the All-Hands meeting. But significantly, the synopsis also included variations of the “corporate story” told at the All-Hands meeting. The CEO and other senior leaders in the company made themselves available to attend the department Town Hall meetings to retell versions of the “corporate story.”

Finally, the Internal Communications Committee authored a monthly column in the corporate newsletter which highlighted various stories told by employees relevant to the corporate strategy. The column was written as an interview with various employees in order to get their stories about the corporation across to the entire company. The interviewees’ stories were specifically chosen to support the overall “corporate story.”

Corporate leaders at this defense contractor hope that conveying the corporate strategy through narrative will lead to a clearer and more consistent understanding of it by the employees of this company. The underlying assumption is that a clearer understanding of the corporate strategy will lead to more effective execution. Evidence being collected indicates that the employees of this company are better at remembering what they learned

<table>
<thead>
<tr>
<th>Exhibit 2</th>
<th>Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate history intranet site</td>
<td>Repository of corporate history told through stories</td>
</tr>
<tr>
<td>All-Hands presentation</td>
<td>Presentation of corporate strategy, live, to all hands, via a story</td>
</tr>
<tr>
<td>Quarterly town hall meetings</td>
<td>Department meetings, prepared bullet points provided to support All-Hands presentation</td>
</tr>
<tr>
<td>Corporate newsletter column</td>
<td>Monthly column containing employee stories about the history and corporate strategy</td>
</tr>
</tbody>
</table>
from the narrative approach to conveying corporate strategy than what they were taught in the PowerPoint presentation alone (see Box, “Strategy? What employees didn’t learn from the PowerPoint show alone.”) Final data will be collected at the end of the narrative-based intervention and will be available in the Spring/Summer of 2010.

Notes
Denning, S. 2004, May 24, Storytelling is a Fundamental Skill of Management.

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