

# **Storytelling: A Portal to Understanding Entrepreneurial Organizations**

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*This paper explores the potential for understanding of an entrepreneurial culture through participation in and utilization of non-deliberate storytelling. A distinction is made between storytelling types based on the intent of the storyteller. Two types of storytelling are discussed: deliberate storytelling and non-deliberate storytelling. The suggestion is offered that non-deliberate storytelling provides investigators with sufficient information to avoid mistakes: mistakes in cultural description and understanding and mistakes in cultural perception and expectations that could result in failed change initiatives. A story type and basis in fact matrix is developed that illustrates four categories of stories relative to credibility and agenda.*

## **INTRODUCTION**

This paper is about potential, the potential to understand an entrepreneurial organization's culture and expectations through listening to and analyzing the stories that are told within the organization. The telling of stories is a pastime and oral tradition as old as mankind; cultures throughout the ages have used storytelling as a vehicle to pass on traditions and cultural expectations. Evidence of storytelling activities can be found in almost all cultures. Stories of prehistoric hunts are painted in caves in France; the glories of ancient Egyptian rulers are written on their tombs and temples. Homer has passed on the expectations of ancient cultures for their citizens to us through the stories told in The Iliad and The Odyssey. The stories of Ragged Dick by Heratio Alger Jr. framed the expectations of United States citizens during the late 19<sup>th</sup> and early 20<sup>th</sup> centuries for its young people. Most families have stories that are passed from generation to generation which provide a common base of experience and a bond with those who have gone before us. Almost all organizations have stories that capture the spirit, the meaning, and the expectations of the organization.

An understanding of an entrepreneurial organization's culture can enable a consultant, new hire, or researcher to avoid making cultural errors or mistakes that could result in non-recoverable error situations. The avoidance of such errors enables project completion, group acceptance, and deeper group revelations. This understanding of organizational expectations comes about through careful listening and absorption of non-deliberate stories. Non-deliberate stories, unlike deliberate stories such as the U.S.

Marine Corps' sea stories, are not told to make a point with the listener; they are told for the amusement of the teller. The astute consultant, investigator, or new hire can use the organizational awareness that is gained by listening to non-deliberate stories to avoid making the previously mentioned non-recoverable errors and to develop a greater understanding of and appreciation for the culture. Although the observations and discussion in this paper resulted from a consultation project with a Fortune 500 company, the investigators feel that the findings are equally applicable to small and entrepreneurial firms.

## LITERATURE REVIEW

All entrepreneurial organizations have stories in one form or another that are shared by members of the organization (Holmes, 2007). They share these stories with each other and they also share the stories with organizational outsiders. One use of storytelling in organizations is to organize random recollections and fragments of experience. Such aggregation of individual memories provides organizational memories that are consensual and provide support for future decision-making and individual action assumptions (Boje, 1991). Boyce (1995) and Holmes (2007) support the idea of storytelling as a method for organizational members to develop a shared meaning of events. Boyce (1995) also supports the idea that normal daily conversations, as well as memos and other management communications, are components of this shared meaning. Barker & Gower (2010) discuss NPT (narrative paradigm theory) as storytelling and a means to breach the problems of shared meaning within the diversity of an organization. Zemke (1990) suggests that an understanding of an organization's stories can lead to an understanding of the organization as do James & Minnis (2004). Employees can be empowered through stories according to Breuer (1998). She believes that stories enable employees to both understand and project an organization's core values. A further affirmation of organizational understanding can be found in Kaye & Jacobson (1999). They state that storytelling is a shared and collective act that enables people to place organizational actions into meaningful and relevant contexts.

Stories come in many forms and are shared in many ways. Morgan and Dennehy (1997) state that there are five steps to a good story: (1) the setting, (2) a build-up, (3) the crisis, (4) learning, and (5) a new behavior pattern or awareness. Boyce (1995) indicates that stories can be composed as formal organizational communications or they can be the casual and everyday communication of the organizational members. There are three types of storytellers according to Rosen (1999); they are: (1) situational storytellers, (2) platform storytellers and (3) conscious cultural storytellers. Boje (1995) defines a story as any written or oral performance interpreting past or anticipated events or experiences and that involves two or more people. Zemke (1990) lists seven types of stories: (1) rule breaking, (2) humanness of the boss, (3) can the little person rise to the top, (4) will I get laid off, (5) will I get moved, (6) how will the boss react to mistakes and (7) how does the organization deal with obstacles. Bell (1992) identifies two types of stories, those that are crafted and those that are chosen. The storyteller "crafted" stories are authored by the storyteller whereas "chosen" stories are existing stories that are modified by the storyteller to meet the needs of the storyteller, the audience, or the learning objective. Caution must be exercised however, as stories may evolve over time; they remain generally close to the truth but may grow to be more interesting and entertaining than the truth. This can lead to the story taking precedent over the actual occurrence (Beard, 1996).

Stories are used to motivate and to pass on organizational values as well as expectations. McGarvey (1994) states that stories are used to instruct employees on company policies in one company; they use stories rather than an employee manual. Stories are the world's oldest motivational tool according to Durrance (1997). She lists three uses for storytelling in organizations: (1) to motivate employees, (2) for education and (3) to consolidate corporate culture. Allen (2007) discusses storytelling as a means of sharing best practices and successes within an organization. Boje (1995) examines the Disney organization's use of stories as a means to present a specific past, present, and future reality. The use of stories as a means of making reality "real" is discussed by Mills, Boylstein, & Lorean (2001). Stories are used to convey organizational norms and are accepted as a means of communication due to their ease of understanding (Hansen & Kahnweiler, 1993). Two roles for stories are identified by Zemke

(1990): (1) to teach specific lessons and (2) as directives of employee behavior. Tyler (2006) discusses the use of shadow stories to assist organizational members in developing a greater understanding of the organization's values and to give meaning to organizational action. Barge (2004) examined the use of stories within organizations as a means for managers and employees to exchange information and opinions in an informal manner. Lounsbury & Glynn (2001) discuss the role of storytelling in giving legitimacy to entrepreneurial initiatives.

The extant literature establishes stories as a component of organizational culture and further establishes that stories are shared both within and outside of organizations. It has been shown that stories are presented in a variety of forms that range from rich full verbiage that conveys the meaning of an event to short fragments that require combination with other fragments in order to derive meaning from an event. The literature makes clear that an understanding of organizational stories can lead one to a richer understanding of the organizational culture and the core values supporting that culture. There are multiple uses of and delivery methods for organizational stories. This paper further examines the use of stories in understanding an organizational culture by classifying stories as to type and basis in fact.

## **OBSERVATIONS**

The primary observations, or stories, used in this paper were gathered over a two-month period during travel to eight different manufacturing facilities. The visits were the result of a consulting contract with a Fortune 500 company. Six observations, or stories, have been selected as representative of the stories heard at the various manufacturing facilities. These stories all occurred without prompt from the researchers.

1) The first set of stories was told by a highly placed individual in the Human Resources group of the company and involved reaction to mistakes. Returning from a flight and sharing a ride home, the consultant and the corporate Human Resources representative were talking and missed the interstate exit. Both individuals noticed the missed exit immediately. The consultant decided to continue to the next exit, about a mile, and turn around whereas the corporate representative urged backing up and using the correct exit. The consultant was adamant about continuing on and performing a safe exit and reentry maneuver. The corporate individual shook his head sadly and said, "Well, at least it is just you and I, there is no one else to see your shame." On another trip, this same corporate representative shared with the consultant his experience in driving home and being very sleepy. The representative confided that he had fallen asleep and wrecked his truck. "Thank God that there was no one around to see that kind of a mistake, I never told anyone about it" was his comment about his accident. Although not a complete story in the strictest sense of the word a further experience in this corporation reinforced the image of zero tolerance for mistakes that was being developed by the stories. While being introduced to several people the researcher noticed that one of the individuals had a large sign or poster at her workspace; the sign noted that one of her personal goals was to become more tolerant of other people's errors and mistakes. Given the cultural information provided by these stories, an image of an organization and culture which didn't tolerate mistakes began to emerge. This image was supported by additional comments made by members of the organization during the course of the consulting project.

2) A second set of stories is more directed to corporate expectations relative to sacrifice and a work ethic. The first story occurred during a plant visit in the Northeastern United States. Key management personnel at the plant planned on taking the consulting team to dinner. These key personnel had arrived at the plant at 6:00 in the morning and were debating the impact of leaving at such an early hour (6:30 p.m.). They finally decided that putting in only twelve and one half hours for one day only would do no serious harm. These same managers told many stories of only getting to see their families a few hours a day, but they insisted it was no problem as they were good at "compartmentalizing". Management personnel at a plant in Arkansas told the second story where they talked jokingly of spending long night's playing cards and drinking until sunrise. They laughed and joked about the pain and tiredness associated with going from the party right to the plant floor. They also talked proudly of never having to give up and take the day off or of going home during the shift because of tiredness.

3) The third set of stories reflects the storyteller's perception of corporate reality, which often conflicted with the official corporate party line. The managers involved in the consulting project all stated that the organization was one of open and free dialogue with decisions arrived at through discussion and consensus building; the reality reflected by the stories seemed different. The stories revolved around phrases such as "We throw the idea out to them and let them discuss it – that way they feel like they had input" and "We let them discuss it until they arrive at the decision we have already made". This same company also prided itself on its incorporation of blue collar and white collar into a "family" spirit. One of the most telling stories heard during the project was one of expense reduction. A member of the management team was talking about expense reduction, pausing he looked at the consulting team and said, "The workforce is just like a faucet; just reach out and turn it down." Just before making the above statement this same individual had discussed the fact that shipping is the company's greatest expense and it's least controllable.

The observations that have been discussed reflected the storyteller's perception of reality in four distinct areas of corporate life; these were: performance expectations, participation in decision-making, organizational acceptance of diverse groups and organizational cost containment through labor management. All of the stories reported in this paper were unsolicited and were told as non-deliberate stories by the teller.

## CONCLUSIONS

The stories encountered during the consulting project prompted two lines of thought: (1) non-deliberate stories could be used to help in understanding an organization's values and expectations and (2) based on the stories told, a matrix of story types and basis in fact can be developed which leads to a greater understanding of story use in furthering entrepreneurial organizational goals and culture, either deliberately or non-deliberately.

A discussion of the stories that were being told to the consulting team by members of the organization led to a greater understanding of the organization by the consultants. The following conclusions were reached: (1) the company demanded from its employee's complete devotion to the organization as indicated by stories of working through the day after socializing through the night. The stories of not spending time with family also indicated a "company" first culture (2) mistakes were not tolerated by the company as was evidenced by conversations and observations of visual and textual expressions such as the sign (3) although the company espoused itself as a "family", the stories told demonstrated that it was anything but. There was a clear indication that it was very much a "white collar" vs. "blue collar" environment.

As previously discussed, stories may be classified as deliberate or non-deliberate in type. Deliberate stories are crafted, authored, or collected with the intention of telling them to other organizational members. There are three primary purposes for deliberate stories: (1) to provide new organizational members with an understanding of organizational history and expectations of behavior, (2) to pass on situational problem solving knowledge, and (3) to provide a vision of the organization's past, present, and future (either real or imagined). In a deliberate story situation, both the storyteller and the recipient of the story are aware that a story is being told.

Non-deliberate stories are just that – these stories are told in passing, more to amuse the storyteller than to make a point. The meaning of non-deliberate stories must be gleaned and teased from short and generally fragmented stories or recollections of events (either real or imagined). There is no specific reason or purpose for non-deliberate storytelling, other than amusement. In a non-deliberate storytelling situation, the listener is not aware that a story is being told; most times it just seems like lively conversation. However, in listening to non-deliberate stories, the astute listener may glean a great deal of information about both the storyteller and the organization. In many cases, this information may prove to be more authentic and factual than that provided by the agenda of the deliberate storyteller.

Figure 1 provides a 2 X 2 matrix of story type and factual basis. This matrix organization supports a focused examination of organizational stories relative to credibility and agenda intent.

**FIGURE 1**  
**STORY TYPE AND SOURCE**

	Real	Imagined
Non-deliberate	NDR	NDI
Deliberate	DR	DI

This matrix indicates that there are four possible story categories, they are: (1) non-deliberate real, (2) non-deliberate imagined, (3) deliberate real, and (4) deliberate imagined. Non-deliberate real stories are told for the primary amusement of the teller but do reflect a real observation or experience and as such, can be considered the most credible and the least agenda based. The non-deliberate imagined story is also told to amuse the storyteller but the story is based on imagined or crafted events. The information gleaned from a non-deliberate imagined story should not be dismissed however, as it probably represents the mental model or reality of the storyteller. This mental model and crafted reality can reflect the individual expectations of the storyteller and the storyteller's perception of organizational reality. In fact, this mental model and crafted reality can be the result of stories (either deliberate or non-deliberate) that the individual has heard or been told.

The deliberate real story is a recollection of a real event and is told to the listener in order to make some point or to pass information or expectations to the listener. Although the deliberate imagined story is the telling of a crafted event, it is still told with the expectation that information will be passed or that expectations will be understood and may be the least credible and the most agenda based. The deliberate imagined story is used when there are no real occurrences that would serve to illustrate the expectations or to serve the agenda.

There are several areas of additional research that warrant further effort and investigation relative to organizational storytelling. The differences, if any, between entrepreneurial storytelling and larger more bureaucratic storytelling should be examined. Do the stories told in small and entrepreneurial businesses differ in any significant way? Another obvious area of interest would be based on gender differences; do men and women in organizations tell different types of stories to accomplish the same objectives as suggested by Bird (2007)?

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