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## 1 Introduction

It has been argued that organizational and management studies are still overly rational (Schipper, 2008; Brunsson, 2002; March, 2006). At the beginning of the 1980s, studies of organizational culture began to focus on the interactional and social processes that take place within organizations, leading to the understanding that organizations have norms, beliefs, self-certainties and stories as essential parts of their existence. The emotional rationality concept (Fineman, 1994) was promoted as well as the concept of narrative rationality (Fisher, 1994). These shifts in research have guided us towards the understanding that organizations are by nature complex, and multiple perspectives and concepts are needed in order to understand them.

Storytelling has to do with organizational communication and sensemaking, and narratives are significant for participants in constructing and centring the meaning of the organization (e.g. Wick, 2001; Gergen & Gergen, 2006; Polkinghorne, 1988). Managers impact follower behaviour at the organization, including their values and feelings, by telling stories and narratives. In leadership, solid rhetoric and self-confidence create trust among followers. It is argued that charismatic leaders have a good feeling for symbolism and they use drama in everyday communication (Cogner & Kanungo, 1987; Aaltio-Marjosola & Takala, 2000). Changing times often create both the need and the fertile ground for charismatic leadership. Managers who are defined as charismatic leaders are often good speakers and have the ability to build trust, which is needed in times of uncertainty and when a transformation is necessary (Cogner & Kanungo, 1987; Gergen & Gergen, 2006). In storytelling leadership, the hierarchical relationship between leader and follower diminishes and communications take place “face-to-face”. Basically, everyone in the organization is able to take part in storytelling processes and this creates equality compared to other styles of leadership (Weick & Browning, 1986). Leaders and followers are able to feel that they share the same organizational reality rather than being trapped behind barriers arising from hierarchical positions and differences of power in the organization. This kind of leadership is usually also connected to communicative and human-orientated leadership (Vries et al., 2010).

Gergen and Gergen (2006) argue that in organizational studies narrative scholars with a postmodern emphasis have been particularly quick to see the potential of rhetorical tropes such as metaphor and narrative. An increasing number of publications in the field of organizational storytelling have emerged nowadays, and storytelling leadership has even become fashionable among management consultants and leadership scholars (e.g. Boje, 2006; Auvinen, 2008). However, Denning (2005) criticizes organizational theory for being late in taking an interest in the stories that people tell in and about organizations as meaningful data. The area of storytelling and leadership remains under

researched (Boje & Rhodes, 2006), and empirical investigations are uncommon. We seek to fill this gap with authentic data – leadership stories told by managers in their organizations.

Storytelling has recently been studied from multiple angles (see e.g. Boje, 1991; Gabriel, 2000; Snowden, 2003). For instance, Gabriel (1995) is interested in the unmanaged part of organizations. He argues that stories, myths, dreams and fantasies are the chief force in the irrational constructions that, nevertheless, have much to do with organizational behaviour. Czarniawska's (1998, see also Boje, 2001) approach to organizational storytelling has to do with rather coherent narratives with a stable form and interpretation. According to her, a story consists of a plot that comprises causally related episodes, whereas Boje (2001) argues that stories are even without a plot. In fact, he is even concerned about a crisis of narrative theory. According to Boje (*ibid.*), stories have been viewed as less narrative, and he proposes they are anti-narrative; that is, "fragmented, non-linear, incoherent, collective, unplotted and pre-narrative speculation". However, more or less pragmatic leadership literature is less concerned with the problems of narrative theory or concepts such as "story" and "narrative". Storytelling is often considered an effective tool for influencing and inspiring followers or a means to advance organizational change (e.g. Denning, 2007; Parkin, 2004), a tool to develop leadership skills (e.g. Stevenson, 2006) or an instrument for narrative patterning in organizations (Snowden, 2001). Amongst scholars, stories are indeed acknowledged to have great significance for leadership, but leadership in itself is also seen as a socially constructed narrative process. This perspective underlines that stories are difficult to use as tools, they remain uncertain and complex (see e.g. Boje, 2006; Parry & Hansen, 2007; Sintonen & Auvinen, 2009).

In this study, the focus is on how managers use stories in their leadership situations. Therefore, our area of study is the narrative leadership process, as Boje and Rhodes (2006) define it, especially in line with the work of such authors as Dennehy (1999), Denning (2005; 2007), Snowden (2001; 2003), Gabriel (2000) and Sintonen and Auvinen (2009). In this paper, we examine managerial intentions when storytelling is used as a part of their leadership work. Our approach differs from most former studies in this field since we use empirical, authentic data. We use interview data collected from managers who express their intentions in narrative form by telling stories, based on the tips about these "storytelling managers" from their subordinates. However, we do not axiomatically consider managers (as people in charge of a working-group) as leaders, but we are interested in situations where managers use storytelling in their leadership situations. We ask how managers construct their leadership using stories and what areas of influence they have in mind. The limitation of this approach due to the data is that we

cannot follow the real-life effect of the stories, nor the subsequent process of the impact of such leadership practices on followers in the organization.

Leaders tell stories, but why? By interviewing managers and asking them to illustrate the stories that they tell and how they think the stories are influential in the leadership situations, we wish to find out answers to this question. The objective of this study is also to specify the areas of influence that storytelling has in leadership situations. We dissected the content of the managers' stories, their intentions in the storytelling situation and also their opinions and reflections considering the resulting influence on their subordinates. Because the creation of trust itself can be seen as a narrative process (Fisher, 1987), it genuinely relates to our research task. We focus in particular on how managers construct trust among subordinates through storytelling, the kinds of situations where stories and narratives are used and why. The definitions of "story" and "narrative" are especially discussed in chapter 4. The use of stories may lead to an experience of the truth for those concerned in the situation. Managers themselves feel that their stories have successfully promoted the intended outcome and explain how.

Do followers start to feel that stories from managers include structures, facts and models that are "true" and worth following? We are interested in how trust evolves in storytelling interactions, even if the leaders use narratives and not facts, and whether the narratives make people act in the manner the manager intended. What is a fact and what is a narrative – to what extent do subordinates start to think that narratives are "true", and embrace the symbolism in them? We believe that developing trust is a bridging concept in this process.

## **2 Theoretical and conceptual framework**

### **2.1 Organizations, storytelling leadership and sensemaking**

Leaders are said to play a key role in determining organizational effectiveness across all levels – individual and team effectiveness. The social constructionist view of organizational realities emphasizes shared understanding and symbolic action as a way to create and maintain an organization. According to Linda Smircich (1983), "The researcher seeks to examine the basic processes by which groups of people come to share interpretations... that allow for the possibility of organized activity. Theorists and practitioners are concerned with such practical matters as how to achieve common interpretations of situations so that coordinated action is possible." This owes a lot to the Great Man theory of leadership, which emphasizes the role of the individual leader as the hero of organizational success and a central figure in its realization.

The use of stories has shown potential in leadership theory over the past couple of decades (Boje, 2006). Peters (1990) has even argued that the best leaders have always been the best storytellers, and Ciulla (2005) also agrees that influential leadership has to do with storytelling. The instrumental use of stories, and stories as tools in communication is, however, questioned. Using stories is so complex that it cannot be seen as a functional, non-problematic or obvious control mechanism (Boje, 2008). Communication between leaders and followers is a dyadic, natural and even an innocent process, which includes the talking and chatting necessary in any human contact. However, leaders and followers embody different situations and roles, the leader often being in a position where the use of power is easier than it is for the follower. Perceptions of power increase the likelihood of using dominant communication behaviour in an attempt to control the interaction (Dunbar, 2004, 235-248). Attempts at greater control lead to greater influence over decisions. As Dunbar argued, partners in a dyadic communication situation who perceive that they can use power feel more satisfaction, even when they are actually relatively equal in power terms. To use stories as tools, therefore, is problematic from the perspective of power and influence.

How stories are influential can best be understood by considering (or analysing) the ways in which the storyteller and the listeners try to interpret the stories they hear through the rationality of the interpretations that the storyteller and the listeners assign to stories (see Auvinen & Sintonen, 2009), and even through narrative rationality according to Walter Fisher (1994). We can also discuss organizational stories in relation to leadership, distinguishing them from the notion of 'leader as person' to understand 'leadership as discourse' in the creation and representation of visions. From Parry and Hansen (2007, 281) we learn that "leaders are often noted for providing a compelling vision that inspires followers to act to fulfil the vision, often by telling stories". Narratives resonate with organizational realities, not only at the level of individuals.

Parry and Hansen (2007) have distinguished the leader and the story, arguing that it is actually the leader's story that leads people in the organization, not the leader. Their aim was to find out "what we can see, think and talk about if we think of organizational stories as leadership". They proposed some insights that were revealed by adopting the perspective that stories are leaders. We also find it relevant to study leaders' stories to gain an understanding of the process of influencing people, and to understand the leadership process more holistically. On the other hand, this does not completely separate the leader and the story, but emphasizes the significance of the storytelling nature of leadership. Because the process of creating trust between leader and follower is itself narrative by nature, stories can be used even purposefully (see e.g. Denning, 2005; 2007; Sintonen & Auvinen, 2009). Our approach differs from Parry and Hansen's

(ibid.) in the sense that we empirically focus on the intentions of the managers in constructing leadership.

Sensemaking is accomplished through storytelling (cf. e.g. Weick, 2001). Making sense means making something real in people's minds. However, sensemaking and rationality do not go hand-in-hand: they have very different ontological backgrounds and their core conceptual nature also differs. Sensemaking is but an individual process also taking place in the broader, organizational context. Therefore, organizationally bound ideals and values surround it. However, we are rather more interested in the intentions of managers constructing reality through storytelling in their organizations.

## **2.2 The role of trust in leader-follower communication**

Trust, and its many roles and meanings in organizations and leadership, is an increasingly popular field of research (e.g. Blomqvist, 1997; Connell, Ferres and Travaglione, 2003; Gillespie and Mann, 2004). Trust is a basic mechanism enhancing interpersonal communication, commitment and coordination (Thomas et al., 2009). Stories, narration and trust are closely related with each other. Trust is often found to be an important factor in organizational success and the well-being of employees (Dirks & Ferrin, 2001; Connell, Ferres & Travaglione, 2003). Its relevance is highlighted in situations of uncertainty, complexity, interdependence and information asymmetry. These factors are embedded in today's working life, and especially in leadership.

As found by Gillespie and Mann (2004), trust in a leader is associated with communicating a collective vision and sharing common values with the leader. Whitener et al. (1998) define trustworthy managerial behaviour through organizational culture, structure and HR policies, relational factors like expectations and individual factors like self-efficacy, values and the propensity to trust. Trust is built among followers at all levels mentioned and trustworthy managerial behaviour is actualized in leadership behaviour and communication. Trust can be defined as a follower's belief in a leader's ability, benevolence and integrity, and a willingness to act on the basis of the words, actions and decisions of a leader (adapted from Mayer et al. 1995; McAllister, 1995; see also McEvily et al., 2003). A leader's trust, manifested in disclosing sensitive information to the follower who may then choose to reciprocate by first being trustworthy and secondly trusting the leader (see Gillespie & Mann, 2004; Mayer et al., 1995, Costa et al., 2001). A leader's own propensity to trust forms the basis for his or her willingness and ability to build trusting relationships. Both the propensity to trust and related human behavioural assumptions create the necessary conditions for trusting relationships.

Even if empirical research on leader stories and follower trust is scarce, the role of trust in influential leadership is evident in many leadership theories; for instance, in leader-member exchange theory, the leader's trust and related communication form a cornerstone on which to build trust, which is triggered and enhanced by follower performance (Whitener et al., 1998). In charismatic leadership (e.g. Pearce et al., 2001, Aaltio, 2008), commonly shared collective identity and supportive leadership are seen to support follower trust in the leader. Leader-subordinate communication is best illustrated in the theories of transformational leadership, where specific elements in communication – goal, content and style – are seen to influence follower trust.

Bijlsma and Koopman (2003) have identified leader task reliability, support and justice, such as interactional, procedural and distributive justice, as critical factors in building trust among followers. Inspiration, intellectual stimulation, motivation through follower self-actualization, and presenting higher order organizational goals are seen as ways to build trust in leadership (Gillespie & Mann, 2004). Communication usually includes showing respect and concern, exemplified by support and care for followers, providing a role model, manifesting interest in the follower's development, establishing important values and shared purposes and fostering the acceptance of group goals. The communication style associated with trustworthy leadership is marked by openness, explanations, accuracy and the timeliness of any information given (Whitener et al., 1998, 517).

The use of stories by managers occurs in special situations and contexts. The stories have a background and history that fits the manager's own history and reputation in the organization. "Coherence in life and in literature requires that characters behave characteristically. Without this kind of predictability there is no trust, no community, no rational human order" (Fisher, 1987). Managers who use storytelling techniques may be aware of the power of their stories; these managers already have a kind of narrative identity that gives a context of trust to their use of stories. So the stories do not evolve from a vacuum, one-by-one, but they are coherent with the manager's past behaviour.

## **4 Data and methodology**

### ***4.1 Research strategy and definitions of narrative***

Our research strategy is qualitative. We draw on a narrative approach in leadership inquiry, which emphasizes discursive interaction and a socially constructed reality, where storytelling is the preferred method of sensemaking and currency in human relationships (see e.g. Boje, 1991; Weick, 2001). In general, narrative research offers no

clear or unambiguous framework (Andrews et al., 2008). Also the terms ‘story’ or ‘narrative’ are equivocal (see also Polkinghorne, 1988). Indeed there is a great variety of definitions and no single universal definition exists (e.g. Czarniawska, 1998; Boje, 2001). Sometimes story and narrative are considered as synonyms; sometimes they are distinguished from each other (see also Riessman, 2008). The definition, however, has a great impact on what kind of narrative approach is adopted. For instance, Boje (2001) stresses the difference between narrative and story by arguing that narrative requires plot and coherence whereas story resists narrative. Boje (2001; 2008) emphasizes a polyphonic, terse, unplotted – in a word – postmodern approach to storytelling. Czarniawska’s (1998; see also Boje, 2001) orientation towards the narrative approach in organizational studies differs from Boje’s. Her conception of a narrative stems from a more conventional and plotted form of story with characters and coherence. In this study we rely on Polkinghorne’s (1988) definition of narrative, “the kind of organizational scheme expressed in story form” referring to any spoken or written presentation. Boje (1991) defines a story as an oral or written performance involving two or more people interpreting past or anticipated experiences. Certainly all the stories analysed in this study are a result of managers’ oral performances, but in Boje’s terms, our data consists merely of narratives rather than stories. However, in this study we follow Polkinghorne (1988), and use story and narrative synonymously.

In this study, narrative research is involved in two ways. First, our data is in narrative form. We have collected narratives told by managers by interviewing them. Initially, the stories have emerged in social interaction such as conversations between a manager and subordinate (see Riessman, 2008). In this sense our data consists of “second-hand” stories, or narratives about the stories used by leaders for a certain purpose that they can even retell in the interview situation. Secondly, the framework for analysing the data respects the traditions and framework of narrative organization and leadership research (see e.g. Gergen & Gergen, 2006; Boje, 2008; Gabriel, 2000). In particular, in order to structure the content of the (sometimes fragmented) stories and piece together the areas of influence in managers’ storytelling we have used theme analysis (see Riessman, 2008; Eskola & Suoranta, 1998; see also Boje, 2001). To sum up, the stories in our study can be defined as manager’s oral performance involving organizational members interpreting past or anticipated experiences (see Boje, 1991; Riessman, 2008; Polkinghorne, 1998).

#### ***4.2 About the data and interpretation***

Collecting the data took place from September 2005 to September 2009. The data primarily consists of material from interviews with 13 managers. The managers’ identities are codified to maintain confidentiality: The seven strategic managers

belonging to the executive group are codified as S1–S7 and the six operations managers (middle managers, supervisors and experts) are codified as O1–O6. Five of the interviewees were female and eight male, and their ages varied from under 30 to nearly 70. Six interviewees were working in private sector organizations, four in the public sector and three in hybrid organizations (public and private). The interviewees were from different lines of business, including banking, high-technology/research, the forestry industry and municipal administration. The interviews took an average of 1 hour 20 minutes and they took place in each interviewee's office.

The total number of interviews is 17 since two of the managers were interviewed three times. Twelve of the interviews were thematic. The themes related to the managers' (1) career background, (2) self-image as a leader and relationships with followers and colleagues, (3) views on influencing people through narratives and stories, (4) reasons for storytelling, reflecting on the stories told and the consequences of storytelling. The final five were in-depth interviews, conducted to permit freer reflection. The themes also revolved around leadership and storytelling, but the interviews were less structured. We sought to gather as many stories that the managers had told in their organizations as possible. The main focus in all the interviews was the influence of the narrative. Altogether, 21 stories containing leadership intentions could be identified in the interviews with the managers.

We started to work on our data by interviewing the managers, and with their support, collecting material about their organizations. This included field notes and recorded interviews in the first instance with the manager on a one-to-one basis. After the first collection phase — the thematic interviews — we moved on to the less structured in-depth interviews. The interviews were audio taped and the group discussions recorded on video. Interview and group discussion data were afterwards transcribed, resulting in about 200 pages of transcripts. Observations consisted of field notes made by researchers during the interviews and group discussions. The field notes constitute some 40 handwritten pages, but are excluded from the analysis; they were merely used as support for the analysis; for example, in order later to obtain a more comprehensive picture of the interview situation.

This study focuses on managers' stories relating to the creation of trust, but their leadership intentions are also considered in the wider perspective. In the first phase of analysis, in order to obtain a general picture of our research phenomenon, we first read through the data individually. In the second phase, after we had become acquainted with the data as a whole, we began to discuss and share our first impressions of the issues and dissected the data collectively. While conducting the first phase of analysis we also acquainted ourselves with the theoretical material. During the second phase we

redefined our research task. In the course of the analysis, we circulated the data and organized several common collective analysis sessions. The process can be seen as being triangular in at least two senses: (1) the researchers circulated data and ideas and (2) the analysis process was by nature an interaction of empirical data and the researchers' theoretically-bound interpretations (e.g. Eriksson & Kovalainen, 2008; Eskola & Suoranta, 1998).

After the aforementioned phases of analysis, our purpose was to identify stories and episodes in "ordinary work conversations", which involved storytelling, leadership and trust creation. Following our discussions, we decided to select the most illustrative excerpts from our empirical data. We hoped to identify key features of the ways in which narratives were used to influence behaviour (see Table 1). As a result, seven areas of narrative influence were constructed. These include a description of each situation based on our field notes, audio taped discussions and extracts from the interviews related to the incidents in question.

Starting from these seven areas, we embarked on a more precise analysis, concentrating on the situation and a profound/meta meaning. Finally, we selected excerpts (stories) to illustrate the elements of areas of influence, which related first of all to the manager's creation of trust, but also to motivating subordinates and supporting their learning, among other things. Our aim was to empirically reveal the interconnectedness we believe is present in organizational storytelling in discourses involving managers and subordinates.

## **5 Empirical part: Areas of influence from storytelling**

### **5.1 The analysis in the form of a table**

Since the qualitative analysis takes up a lot of space and there is a strict limit in terms of words, we found it impossible to present the analysis process in more detail here. Instead we constructed Table 1 as a compact but illustrative way to communicate our salient findings in the analysis. The table consists of five columns: (1) our constructed category and keywords on how a manager uses stories in order to influence subordinates. The area of influence indicates the nucleus in leadership terms; after all, this is why managers tell these kinds of stories. (2) Our interpretation of the meta meaning of the example story (excerpt); what inner dynamics of the story make it influential. This is based on our interpretation of the content of the story (including central characters), its context and also the manager's intention according to his/her reflection in the interview. (3) The context of the story and the intended impact of the example story according to the manager. This column contains less interpretation.

Rather we have captured the description of the contexts from the interview text. (4) An excerpt of an example story word for word from the data; (5) the number of stories (with reference to the code of the narrator [S1-S7 and O1-O7]) in the data belonging to the category in question.

**Table 1: Areas of influence found in leadership stories**

1. Areas of influence & keywords	2. Meta meaning	3. Context	4. Excerpt	5. Count
<b>Motivation</b> <i>Comparison, competition</i>	The subject compares subordinate's own performance against a protagonist's → the subject would neither wish to identify himself with the protagonist nor loose to her. The story implicitly reveals values and attitudes (e.g. gender and ethnic problems)	There had been no recent improvement in the subordinates' performance. The manager motivates & challenges subordinates to gain improved performance.	<i>O4 An Albanian guerrilla story: "Once I knew an Albanian guerrilla – female – who could take apart and assemble this rifle in 30 seconds – blindfolded"</i>	3 O1 O4 S3
<b>Inspiration</b> <i>Faith, supremacy</i>	A small but well focused group with great vision defeated a superior enemy. The group has the promise of a better future and great rewards that will be shared equally.	Competition by large global companies is growing fiercer. The manager needs to inspire discouraged subordinates.	<i>S3: Alexander the great defeated Darius. "...and they got their crew defeated despite having only 10% of the enemy's strength..."</i>	2 S3
<b>Prevent /defuse conflict</b> <i>Humour</i>	There are some absurd but felicitous similarities between the organization's prevailing situation and an old joke. The solution the joke suggests would	Once again there were sticky fingerprints on the surface of the plywood. A furious CEO reprimands the whole staff in a meeting which was descending into conflict. Everyone was	<i>O1: A chef in a logging camp: "...we should choose staffers for the gluing stage like a short armed chef with no thumbs in the old days in a logging</i>	2 O1 S3

	actually apparently getting irritated. The remove the undesired situation needed to be result (“no fingerprints”) but defused for interaction to would certainly not be possible again. offer a solution. Laughter creates a relaxed atmosphere (“liberating laughter”)		<i>camp: he did not dip his thumbs in the saucepans and couldn't scratch his butt”</i>	
<b>Influencing superiors</b>	A manager wants to A junior manager was utilize the features of convinced the role of storytelling when paper will change in the trying to influence his future. He wanted senior own manager’s management to thinking. Stories are understand major not limited by space changes in their market and time hence the (the paper industry) but (future) state of they would not listen to affairs in the story “logical-rational” can be imagined arguments. The junior during the meeting. manager embedded his The situation message in a story described in the story during his presentation may represent a in a strategy meeting. reality somewhere else (e.g. in another country); hence the listeners may discover other possible realities.		<i>O3: [T]hey didn't listen... Then I told them... Before heading back to Finland, and I went to Times Square NY, where I used to buy presents for my kids. But all I found was all kinds of electronic devices and toys. It was really hard to find any printed matter.</i>	2 O3 O4
<b>Discovering a focus</b>	The story is about a The owner of the blessing in disguise. company was concerned This kind of story about product represents non- development getting too coercive leadership; diversified and the personnel get (at fragmented. The least the feeling of manager wanted his staff being) empowered to find their own focus and the freedom to for further development allocate their own and give up additional, resources. unnecessary, wasteful		<i>O4: The manufacturer of Oldsmobile had experimented with all kinds of techniques... But then luckily there was a fire in the factory. The firm lost all but one gas automobile engine.</i>	1 O4
<i>Insight, learning, discovering a new reality</i>				
<i>Feeling of freedom, empowering</i>				

research.

*That was the one that made the breakthrough later. What could our fire be?*

**Manager shows him/herself to be worthy of trust**

**a) Manager shows concern**

*Identification with a subordinate's situation, empathy*

The manager shows goodwill and affect-based trust by identifying with the subordinate. Short exchanges create a positive spirit.

The manager wishes to cheer up a depressed worker at her post / the manager wants to know a subordinate better (creating a more trusting relationship)

O1: *[T]hen I told a suitable anecdote or story, and often the spark lasted longer, after our discussion.*

5  
S2  
S3  
S7  
O1  
O4

*Revealing manager's own failures*

*Emphasizing character similarity &*

*emphasizing persistence as a critical value*

A manager wants to encourage her/his subordinates to trust themselves e.g. convincing them that he has also managed to come through failures.

By emphasizing a similar character and displaying his vulnerability through stories about himself, a manager shows himself willing to rely on his subordinates' discretion not to exploit his vulnerability.

S2: *[A]nd when he [a subordinate taking a major exam] totally failed, I told him my history. When I was a kid, I failed so many exams that I had to retake the whole semester.*

**b) Manager presents him/herself as a positive role model**

*Emphasizing problem solving ability, improvisation*

The manager articulates a shared vision and new perspectives as well as high performance expectations.

The manager tells this story on different occasions to remind her staff and partners about the equal value and potential in each.

S3: *The client kept complaining... offered no more than half the price of our valuable work. I said hey! Now you are about to buy only half a tank of fuel. Then you must find out how far it takes you!*

S7: *I met a small poor*

3  
S1  
S3  
S7

<i>skills (S3)</i>  <i>Emphasizing values and norms (S7)</i>	Successful and acknowledged manager shows that she is generous and human. She wants to communicate to her staff never to underestimate anyone and good deeds will return.	The manager tells this story on different occasions to remind her staff and partners about the equal value and potential in each.	<i>rikshaw boy 20 years ago dreaming of his own firm. I wanted to treat the boy with dignity and gave him 20 € to set up a company. Years went by. One day I got a pink envelope with a Thank you-card. The small rikshaw boy was now CEO of a successful transportation company.</i>
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**Creating trust with interactive stories**

**a) Manager's narratives build social and interpersonal trust**

*Transaction Intimate, private, human being*

A manager shows qualifications and features that are desirable in the work.

In everyday interaction, storytelling is more like a form of natural social communication... stories are everyday incidents at the workplace with colleagues or at home with the kids.

*O2: I want to make them trust me by telling personal stories about my son's tree house and how the twins call me manager, although they know my name indeed... And if I tell them something personal, I expect subordinates to tell me something back.*

2  
O2  
S2

**b) Manager's narratives build impersonal organizational trust**

*Impersonal trust towards the organization and the manager who tells the story*

A manager wants to encourage his/her subordinates to trust their organization e.g. arguing in favour of safety with jobs and support (education) to survive the change.

The staff was anxious and felt insecure because of the economic depression. The manager wanted to make his subordinates believe that they can make it again, in this very organization. Besides, the manager has also experienced challenges before with this organization.

*S2: "In the 1990s financial crisis I drew a picture and told this story to my staff – I call this the mountain metaphor. In the picture our people are climbing the mountain. The wind is blowing hard and we are on the very edge. We have the rope and backpacks. They see that it symbolizes education and support*

*at the bank. We can survive the crisis together. Our bank managed to get out of the crisis first.*

According to our findings, the situations where managers tell stories vary a lot. There are everyday situations like motivating subordinates, but leadership stories can be seen as an important element in a manager's trust building that influences the relationship between the manager and subordinate. Different stories have different purposes and they reveal different aspects of manager trustworthiness. The complexity of the communication and the related content of the story may simultaneously enhance trust in a manager's competence, goodwill and integrity.

## **5.2 Summary: The seven categories of influence in narratives**

Classifying the stories into seven areas of influence was achieved in three steps. Firstly, we identified the use of storytelling leadership from the interviews with managers. This meant that we found that the stories followed the structure of a story and seemed to include symbolism relevant to the organization. Therefore, pure private life stories were excluded from the interpretation. Secondly, we asked the manager to illustrate why he or she used the story and what intentions he/she saw concealed in the story. The managers retrospectively explained and also made sense of their intentions. Thirdly, we classified the intentions of the stories and found that the seven categories gave them a meaningful context. Even if some of the stories were difficult to put into only one category of intention, we could classify them without a lot of simplification.

Areas of influence were identified in the study as follows:

**Motivation:** Managers may use stories to motivate subordinates to carry out certain tasks, achieve group goals or behave in a certain way; for example, to encourage customer orientation in their subordinates, they might tell stories about themselves as role models for how to approach customers.

**Inspiration:** Inspiration in this case refers to a manager's use of a story to make the subordinates feel useful. Stories may be used to build a shared vision between the manager and the subordinates. Stories can also be used to set higher order organizational goals and energize subordinates to try to achieve these targets.

**Prevent / defuse conflict:** When using stories in order to prevent conflict, the manager seeks to avoid giving direct advice and tries instead to make people feel involved, and to break a negative atmosphere. The stories may include humour or private personal experiences. They may have an affect on emotions, which help in problem solving and conflict resolution.

**Influencing superiors:** When a manager uses stories for this purpose, he or she is trying to promote creative thinking and behaviour. Stories of personal experiences include affect-based elements and can have a stronger impact than fact-based arguments. This area of influence highlights that managers also tell stories to their own supervisors or management group. In this case the manager does not have formal power over his/her supervisors, but he/she may also aspire to construct a similar kind of leadership effect through storytelling in this case.

**Discovering a focus:** The manager wants to make the subordinate feel free to develop new ways of doing things at work. Unexpected and even radical stories may provide the mental space for making new discoveries. Instead of forcing the subordinate to choose one way, the manager's story may inspire/spark action to find focus as an appealing option.

**Manager shows him/herself to be worthy of trust as a manager:** The manager's concern, exemplified by support and care for the subordinate, showing empathy and identifying with the subordinate's situation, builds trust. The manager's stories may present him/herself as a positive role model, either as an expert or humanist. When leadership stories provide a role model they may build trust in a follower through transformational leadership behaviour.

**Creating trust with interactive stories:** Trust building is an iterative process that begins when a manager puts him/herself into a vulnerable position by first trusting the subordinate. The manager may tell stories either to build social and interpersonal trust or impersonal organizational trust. Interactions between the manager and subordinate naturally form the basis in every storytelling situation, but are emphasized in this category – the manager expects instant action from the subordinates, either telling another story in return or decision-making.

To sum up, most of the means identified in storytelling build trust indirectly. For example, inspiration and motivation, the leader's ability to solve conflicts or act as a role model and their willingness to empower followers (as in transformational leadership) indirectly impact the follower's trust in their manager. The direct trust-

building mechanisms identified in the stories are, firstly, trusting followers and, secondly, identifying with followers.

Managers may deliberately choose stories to influence their subordinates and support their leadership. Leadership stories form a bridge from the manager's past to the present, and project their behaviour into an uncertain and risky future. They also build a wider image of the manager's character than a subordinate may experience in any interpersonal dyadic interaction. Stories build trust not only in the manager, but also in the future of the business. This may be achieved through the use of visionary stories, or by projecting impersonal elements such as organizational values, norms and processes. Stories are both an interpersonal and an impersonal means to build trust as they can be used not only in direct interaction but, as explained by one manager, they may also be retold repeatedly inside the organization. Stories that are cherished and stay alive will become part of the organizational culture and identity.

Further, managers consciously or unconsciously choose the stories they tell. However, they cannot control the trust-building effect of the stories as their meaning and appropriateness will always be a matter of individual interpretation by their followers, who position the stories within their own frameworks and expectations of a trustworthy leader. Various stories told by the manager, and by others too, are like mosaic tiles forming the subordinate's perception of the trustworthiness of the manager's character, and that of the organization. If different stories are not congruent with each other, or if there is insufficient connection between the stories and reality, the managers' stories may actually reduce subordinate trust or even cause mistrust.

## 6 Conclusions

This study, based on empirical data about the use of stories in leadership situations, showed that storytelling was seen as a relevant and everyday level phenomenon in the organizations we studied. Even if not all managers use storytelling, many do use stories and can reflect upon and retrospectively interpret their use. Stories occurred inspired by the leadership situation and their use was usually not planned beforehand. We see that narrative leadership is an approach that provides insights into leadership in a way that we believe benefits both leadership inquiry and practice. Managers, as “homo narrans”, using stories and narratives in their communication, have existed as long as there have been leaders, but it is only nowadays that this kind of process has become acknowledged as a “real” part of leadership and worthy of study. Leadership is a result of a dyadic relationship between the managers and the subordinates. It is a natural communication process and includes stories just as any communication does. It is the context of an organization that makes it different. By using stories and reflecting one’s own behaviour, a manager can learn a lot about his or her leadership behaviour and enrich communication with other managers and followers.

Even if the subject of storytelling is the managers themselves, according to our data, the listening aspect of storytelling is also an essential element. Managers were aware that this is needed to understand unique situations and contexts. The dyadic nature of leadership and the building of trust is manifested in many forms of storytelling. Four issues are summarized here. First of all, managers can communicate values in an interactive narrative form. There were leadership stories, which were actually a response to a follower’s story, which indicated the latter’s values. The manager intended to influence the subordinates’ values through storytelling (e.g. by linking those values with the organization’s values). Secondly, there are emotions and feelings, which are essential elements in organizational behaviour and have a significant effect on subordinates. A manager can receive information about a subordinate’s feelings through storytelling and can support, comfort or cheer the subordinate with an appropriate story. Sometimes this can manifest itself through a humorous story told by the manager with a view to defusing conflict in a meeting. This requires emotional intelligence to a certain degree. Thirdly, there is the subordinate’s perception of themselves and of their task. Managers often try to influence a subordinate’s actions by, for instance, supporting and encouraging self-confidence through the telling of positive stories. A manager can also support and encourage a subordinate to discover a (reasonable) focus in their work. Fourthly, (and this relates to all the aforementioned), storytelling forms part of a manager’s identity and self-understanding at work, and their sense of the organization. It may take place in everyday interaction and communication. Managers may express

their values, their worldview and so on, through storytelling. Managers may also create the impression that they are democratic, heroic or self-sacrificing, which may be used as a means of fostering trust in the manager in different situations.

In our study, in some cases the storytelling scene was clearly set, but in some cases storytelling was quite spontaneous and intuitive – a natural part of everyday interaction. It is worth mentioning that it is impossible to control all the prospective meanings of any story – and on the other hand, since storytelling is an inherent characteristic of human communication, not all stories are a considered or even conscious activity. Trust is rarely built by a manager's request to "Trust me". On the contrary, the development of trust in a leader-follower relationship is more often a bi-product of a continuous shared process in which the manager's attitudes, decisions and behaviour impact on the subordinate's expectations of the manager as leader.

Our empirical data suggests that stories can be an effective means of building trust. They support trust building indirectly when the manager uses stories to empower, motivate and inspire followers or to teach from past mistakes. Because trust is not only complex but also fragile, using leadership stories may be a very effective indirect way of building up trust. Another direct means of trust building is for the manager to display trust first, when the manager puts him/herself into a vulnerable position by discussing sensitive information. This can be very effective and provide the first step in a continuous, co-operative trust-building process.

Stories in organizations serve a purpose. Managers may use stories in many different ways, but they make sense in the situation in which they are told. However, stories people tell should not be subjected to too much analysis because stories might also be told in some cases just to keep communication going, to fill gaps while thinking, and sometimes their significance might emerge only much later. If managers use stories intuitively and spontaneously, they do not necessarily see the importance of the story right away, but nevertheless the stories inspire, and work, just as drama works.

The focus in this study is more or less on successful leadership stories. However, in the future we could also study storytelling in leadership that pays attention to the reactions of followers, to their feelings and sense of truth in communications with the leader. Regardless, keeping in mind the complex and risky nature of storytelling, we are aware of the limitations of storytelling in leadership situations and see that the stories can also be used in a way that fails, and that there are risks in using storytelling. For instance, the seductiveness of the stories as well as their fixedness can lead to misinterpretation and unintended outcomes (cf. Boje 2006; Sole & Wilson 2002).

Storytelling is communication between partners, and dialogue as such is an important component of this communication as well. Studies of storytelling in leadership are also needed that pay specific attention to the reactions of followers, to their feelings and sense of truth in communications with the leader. Also, studies of charisma and the role of communication in charismatic leadership would benefit from using the storytelling approach. There may be gender differences in the use of storytelling as a leadership technique, whether we are talking about the gender of the leaders or of the followers. Levels of leadership, whether strategic or operational, have been studied less from the storytelling perspective. Studying the risks of storytelling may also reveal some new insights as well as relevant aspects of trust building in communication. In general, empirical studies into the use of storytelling in leadership are still needed. Current storytelling literature often deals with the phenomenon practically and even observes its use in management, instead of studying its complex and interactional nature. The narrative approach is traditional in the humanities, but has spread to leadership studies only quite recently and still needs the support of authentic data. As suggested in this paper, stories inspire, motivate, help to focus, prevent conflict and build trust. We believe that especially in the current complex and ambiguous organizational context, storytelling is a fruitful area for scholars and practitioners.

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