
Stories and Storytelling: An Example of Best Practice of Leadership in a High-Tech Environment

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Introduction

Although the New Information and Communication Technologies (NICT – e-mail, answering machines, video-conferences, virtual meetings, etc.) aim to widen understanding and share knowledge we, like many analysts, have asked ourselves if these technologies have not exceeded their optimum phase, and whether this ‘new ideology’ of ‘all NICT’ now imposes genuine stress on men and women.¹ If, for example, the NICT improve the volume and speed of communication, we have been able to observe that they do not create more efficient communication.² The contact offered by these technologies is often seen as being cold, distant and sterile. Thus, we have observed that the excessive use of technology in the company, the very proliferation of technology and the resulting phenomenon – the ‘information overload’ – have made the workplace into an impersonal environment and have generated a feeling of isolation and oppression amongst office staff.³

Further to these initial observations about the very impact of technologies and new technologies on men and women, our action over the last ten years as coach and consultant to leaders in high-tech environments has convinced us that there does exist, in a high-tech (and therefore fast-moving, changing, multi-cultural and wide-ranging)⁴ environment what we could call a ‘pathology’ of the leader that reinforces this suffering by men and women who work in a high-tech environment.

This ‘pathology’ is characterised by three main factors:

1. The leader focalises on ‘what’; he develops a strategic and technological vision and does not concentrate enough on ‘how’.
2. The leader sees only the technology and not the solution that the technology can bring to the customer.
3. The leader does not have the necessary time to stand back and think.

At the same time our research, based mainly on the study of the behaviour of high-tech company leaders who have succeeded or succeed most effectively, has convinced us that

this situation is not inevitable and that there exists, in a high-tech environment, what we can call a profile of an 'effective' leader. According to Gardner, a psychologist at Harvard University, the 'efficient' leader is capable of meeting what he calls "the greatest challenge that he must face".⁵ This challenge, based on the ability "to bring significant and lasting changes to a large, heterogeneous group by implementing a corporate culture which reflects the leader's vision and ambitions", is characterised by three concerns:

1. Because the leader allows his company to endure and change things, he must succeed very quickly in including the human aspect alongside the technological product. The effective leader will therefore be the one who succeeds in creating the relationship between the product, the human being and a larger purpose, thus succeeding in uniting his company and his employees behind a shared vision – even a dream.

2. Because the leader 'lives' the technology every day, he must succeed in simplifying and stating very early on why his product is the best. The efficient leader will therefore be the one who has understood that the customer wants his problem solved without worrying about what is 'hidden' behind the technology.

3. Even if the leader must live 'actively' (i.e. through organisation, execution), he must take the time to think and communicate about values, about what he does, about how to transmit his ambitions and ideas to the men and women who work with him. The effective leader will therefore be the one who not only knows how to live 'actively' but also knows how to create a space for reflection and communication.

To succeed in this challenge and implement a corporate culture that reflects the leader's vision and ambitions, "the best chances for success lie in an unwavering concentration on the same basic message."⁶ Tichy and Cohen (1997), Gardner (1996) and Denning (2001)⁷ have observed that 'effective' leaders in high-tech environments have a powerful tool available to them. This tool – the use of stories and storytelling – is extremely effective because "people think in a narrative way, rather than argumentatively or pragmatically."⁸

In this article we show: (1) how leaders of high-tech companies spontaneously use stories and storytelling to inspire human resources and create a strong culture within a group; (2) how leaders of high-tech companies can learn to adopt the stories and storytelling tool in order to master it better.

1. From the spontaneous use of stories and their narration by the leaders...

Stories and storytelling, when shared, can become a form of reference that can help develop and promote corporate culture. Even if many leaders in high-tech environments have created their own stories and legends to support the values that they want to share and develop with

the men and women who make up the company, the stories do not necessarily have to be very complex. Thus, the use of a simple theme like “the good and the evil”, when applied in the field of a company in a high-tech environment, can be a genuine tool for creating and promoting a corporate culture. One of the great narrators of these modern tales in the context of new technologies is the co-founder of Apple Computer, Steve Jobs. At the start of the Macintosh era, Steve Jobs used stories based on the conflict of “good and evil” in order to invigorate his team, describing the world in terms similar to those used in the film ‘Star Wars’. The developers were working day and night, and Steve Jobs motivated them by telling stories where darkness is associated with light. The IBM ogre thus found itself fustigated: “If we do not succeed,” forecast Steve Jobs, “IBM will be the master of the world. If we do not succeed in being competitive with superior products, with better performance than theirs, then they will take everything. ... They will have the largest monopoly of all time. ... Other than us, no one can stop IBM.”⁹

In a more fanciful vein, the majority of managers who work in Silicon Valley identify themselves completely with stories and legends based on the conflict between good and evil that ‘envelop’ these high-tech companies. Thus, at E*Trade, an ‘on-line’ brokerage based in Silicon Valley, it is not by chance that the managers, by their behaviour, participate in strengthening a culture dominated by military values. Aggressiveness, rigour, efficiency, team spirit, and also fast decision-making are the ‘qualities’ that Christos Cotsakos, its President, was able to learn and implement during the Vietnam war, and that he still constantly drills into his ‘troops’: “It’s all about loyalty and trust and who you have in the foxhole with you. At E*Trade, we’re an attacker, we’re predatory. We believe we have a God-given right to market share.”¹⁰ Let us note - without necessarily referring to this form of culture nor even their advertising which is famous in the United States for its ‘attacking’ nature as explained by Jan English-Lueck, an anthropologist at San José University - “that they even have a very romantic idea of the technology and are excited about participating in projects at the leading edge of progress. Even those who, *a priori*, are further away from the technology [and military culture], like secretaries and assistants, are enthusiastic about the idea of having to fight to impose changes that will have an impact on the rest of the world.”¹¹

The role of stories and storytelling in a company is however often more complex. Thus, in 1981 when Jack Welch became CEO of General Electric (GE), he felt the need to transform one of the most successful companies in the world. The company’s bureaucracy – where everything was extremely controlled, and nothing unexpected happened – had been one of GE’s strengths for over twenty years. Welch’s great merit was to have understood that this structure would be less efficient in the more invigorating, more competitive high-tech environment that he saw arriving on the horizon of the ‘80s and ‘90s. Welch succeeded in rationalising and motivating his organisation because he had the ability to make this ‘unknown land’ attractive by telling stories and legends that were commitments to the future.

Welch thus created a corporate culture and led millions of men and women, in their imagination, towards a future where GE could be recognised as the most competitive

company in the world – a company with energy and extraordinary enthusiasm, the most exciting workplace that could be imagined.

This movement that favors the imagination can also be discerned in start-ups where, from the beginning, the leader has to convince investors, the venture capitalists, and also the first employees that he recruits, of his ideas and his vision for the future. Because the leader must guide them onto the paths towards the future, stories and legends are for Lou Gerstner an excellent basis: “changing a corporate culture [here, for IBM]” he explains, “doesn’t happen by sending memos. You need to stimulate the emotions. [Men and women] must accept change in their heart and their beliefs, not only in their head.”¹² For Gerstner, this almost ‘physical’ acceptance of change comes with the need to produce and relate stories.

Furthermore, because stories and legends are told many times to venture capitalists (particularly in high-tech environments as mentioned above), they oblige the leader not only to ‘work’ on his story and continually improve it, but also to help build a strong corporate culture, a better understanding of his own ‘project’. In other words, because he has to define his values more clearly and understand how to weave and present his story to an audience, the leader develops a real ability as a storyteller and, above all, builds on a tool that he will later use to transmit a vision to his employees and create a strong corporate culture in his company. This is where, according to Robert Metcalfe (founder of the 3Com Corp.), because he made ‘unexpected’ profits, he found himself “obliged to relate his story to potential investors a thousand times and in 997 different ways”, and was compelled to learn how to relate a story that ‘grips’ the audience.¹³

2....to the controlled use of stories and their narration by leaders

Because stories and legends have the power to inspire, to convince, to educate and to motivate – as we have seen, these are powerful tools for the leader in a technological environment to be able to build a culture and promote his vision and mission for his company – a company must give itself the means to develop and share a clear vision for the men and women working in it. Great leaders develop this vision by instinct or intent, relating stories and legends whose main theme is what the Anglo-Saxons call the ‘centrally relevant’ – in other words, “a story addressed to everyone.”¹⁴ This type of story and legend indeed motivates and stimulates the imagination.

For Tichy and Cohen, professors of leadership at the University of Michigan: “whoever aims to direct and lead men and women in a company must constantly manage the process for creating and transmitting stories.”¹⁵ In other words, although for authors like Gardner stories and their narration are important leadership activities, Tichy and Cohen go one step further - they write: “The ability to create, and to relate certain types of dramatic stories constitutes a tool for creating and implementing a corporate culture... It is [above all] an essential prerequisite to becoming a first rate leader.”¹⁶

As we have seen, Steve Jobs is one of the first great leaders in the world of new technologies to have used stories and legends to build a corporate culture that carries the vision and ambitions of its leader. To define a grandiose vision far beyond the scope of any individual, Steve Jobs used not only stories of “good and evil”, where the pirates of Apple were charged with the mission of stopping the monopolist IBM, he intuitively used a leader’s storytelling technique advocated by Tichy and Cohen.

Their method begins with the construction of a personal ‘story-line’. This story-line leads to a ‘who I am’ story that, in turn, helps engender the shared ‘who we are’ story of the company and the ‘where we’re going’ story that defines the group’s joint dream for the future.¹⁷

Thus, Steve Jobs spoke very little of his financial success, preferring to talk of the ‘revolutionary’ mission of Macintosh. “The Macintosh team” wrote Levy “was obsessed by its quest to leave its mark on history. Hyper-conscious of the exceptional nature of their company, Apple men and women, although they knew that they would generate profits thanks to their efforts, worked above all to make the Macintosh an outstanding opportunity for the whole world. That’s what drove them, that’s what convinced them that their sacrifice was worth the effort.”¹⁸ In his book *Accidental Empires* – the work that relates the legend of Silicon Valley – Robert Cringley confirms this impression and, using words similar to those used by Levy, forcefully describes the effect of Steve Jobs’ stories on men and women at Apple. “Alone among the microcomputer makers of the 1970s, the people at Apple saw themselves as not just making boxes or making money; they thought of themselves as changing the world. They were heroes, those Apple folk, and saw themselves that way.”¹⁹ In his memoirs *Odyssey*, John Scully, the past CEO of Apple, recognises the motivation founded on belief in an almost divine mission. “We were warriors”, wrote Scully, “animated by a spiritual force that hypnotised every one of us... Everyone, all of us were dazed... Without wishing it, we found ourselves in an atmosphere and intensity almost like a cult.”²⁰ Scully was a thousand miles from what he had experienced at Pepsi, a low-tech environment where motivation relied mainly on personal ambition and a collective desire to do better than Coca-Cola.

Numerous leaders in high-tech environments, already conscious or becoming conscious of the role of stories and their telling as a powerful tool for the leader to impose his leadership, have taken Steve Jobs’ example and actively tried to build a story and legend that belongs to their company. Among famous examples, we can quote the employees at Cisco, imbued with a culture where, among the key words transmitted through stories of travel in tourist class by their billionaire CEO, one finds the values of ‘simplicity’; Metcalfe, having ensured the financing of his company and already with thousands of employees, understood the importance of regularly finding himself with small groups of employees, to spread and perpetuate the legend and “delight them [this took place on Friday mornings] with the popular tradition of the company.”²¹

But, even if stories in a high-tech environment are a genuine tool for the leader, he must not use them ‘at any price’. The leader must personify the story because he must live it. The most

effective stories and legends – because they produce the collective memory at the very heart of the organisations; because organisations welcome new members and, with them, new stories which in turn reinforce and enrich the corporate culture – are those that are passed on by men and women who, ‘spontaneously’ using the example of the leaders who personify them, narrate and adopt these same stories and legends.

Thus, leaders in a high-tech environment can make these stories ever more powerful (because they are ever more widely shared), as these stories leave the company and are taken up by the traditional media. The stories then increase their impact and further reinforce (as if it were necessary) the obvious authenticity of the stories and legends inside the company. That was why Welch, after recognising the power of narration in the implementation of his projects for change and having become a forceful storyteller himself, did not hesitate to use the power of the media to ensure ‘continual promotion’. By this constant communication, Welch was able to convince the men and women in his group of the necessity to sacrifice past stability for the energy and dynamism of the future. Not only did the results follow, but General Electric has often been quoted since as one of the best managed companies, and one of those that has created the greatest value for its shareholders.²²

As Tichy and Cohen show (and Gardner has shown), change is at the heart of leadership in a high-tech environment – “the act of leading an organisation from where it is to where it must go”.

And the best way to lead men and women to new pastures is to anchor this future to the organisation’s historic and also legendary foundations, thus making these new pastures familiar and desirable in the imagination.²³

Conclusion

Numerous leaders in high-tech environments – and notably Steve Jobs, the charismatic co-founder of Apple or Jack Welch, the past CEO of General Electric – have understood, beyond the ‘classic’ activities of leadership, the full potential that they can obtain from the tool that stories offer, and have built a part of their success on such stories and legends. Through these famous examples, mixing the ‘hyper-rational’ symbolised by technology (and more generally by high-tech) and the ‘irrational’ symbolised by stories and their narration, we have observed that: (1) leaders who succeed best, despite different styles, all share the common ability to narrate stories and legends;²⁴ (2) to help leaders define the best storylines and use stories most effectively to influence those with whom they work (employees, customers, investors, administrators, etc), they must be convinced that, even though these stories are present in each of them, all of them need to discover or rediscover them and, above all, to work on them to be able to narrate them in the most persuasive manner, in order to achieve the most effective results.

These two observations corroborate the works of Tichy and Cohen for whom effective leaders are leaders who have both the ability to narrate stories and the ability to work endlessly with these same stories. "Winning leaders consciously think about their experiences. They roll them over in their minds, analyze them and draw lessons from them. They constantly update and refine their views as they acquire new knowledge and experience. And they store them in the form of stories that they use not only to guide their own decisions and actions, but also to teach and lead others. When you hear leaders talk about their lives, you learn their teachable points of view."²⁵

The key point is that exceptional leaders in high-tech companies use their own stories to create stories that can be used, and review them continually to inspire, influence and guide not only their teams, but all groups and people with whom they are in contact. Whether it be customers, their colleagues, investors –convincing stories are very powerful weapons available to the leader. Stories and legends, through their symbolism, directly affect the body and mind of men and women and, as symbols, make what is in the end Man and Woman.

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⁵ Gardner H. (1996), *Leading Minds: An Anatomy of Leadership*, New York, NY: BasicBooks

⁶ Ibid.

⁷ Denning S. (2001), *The springboard: how storytelling ignites action in knowledge-era organizations*, Boston: Butterworth-Heinemann ; Tichy N.M, Cohen E.B. (1997), *The leadership engine: how winning companies build leaders at every level*, New York: HarperBusiness ; Gardner, op. cit.

⁸ Weick K.E. (1995), *Sensemaking in organizations*, Thousand Oaks: Sage Publications

⁹ Levy S. (1994), *Insanely Great: The Life and Times of Macintosh*, New York: Penguin Books

¹⁰ Scully J., Byrne J.A. (1987), *Odyssey: Pepsi to Apple – A Journey of Adventure, Ideas, and the Future*, New York: Harper & Row

¹¹ Richard E. (2000), *Interview de Jan English-Lueck*, San Jose University

¹² Lohr S., (1994), 'On the Road with Chairman Lou', *New York Times*, June 26

¹³ Welles E. (1996), Why Every Company Needs a Story, *Inc.*, 1 May

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- ¹⁴ Tichy N.M, Cohen E.B. (1997), *The leadership engine: how winning companies build leaders at every level*, New York: HarperBusiness
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Levy S, op. cit.
- ¹⁹ Cringely R.X. (1996), *Accidental Empires*, New York: HarperBusiness.
- ²⁰ Scully J., Byrne J.A. (1987), *Odyssey: Pepsi to Apple – A Journey of Adventure, Ideas, and the Future*, New York: Harper & Row.
- ²¹ Welles E, op. cit.
- ²² Harvard Business School, Case # 9-394-065: “Jack Welch, General Electric’s Revolutionary”.
- ²³ Tichy N.M, Cohen E.B, op. cit.
- ²⁴ Roche L. Sadowsky J. (2002), ‘La force des histoires et des légendes dans l’édification de la culture des entreprises high-tech (1)’, *Gestion 2000*, 4, 15-31, juillet-août.
- ²⁵ Tichy N.M, Cohen E.B, op. cit.