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STORYCRAFT

The importance of narrative and narrative skills in business

Dr James Robson, Dr Ben Holgate, Dr Ashmita Randhawa



Arts and
Humanities
Research Council





“ Narrative...
pervades
everything.”

FTSE100 Chair

”

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CONTENTS

Project Governance	4	3.3.4 Transmission and Reception.....	43
About the Authors	4	3.4 What Constitutes a Successful Narrative ..	44
Project Advisory Group.....	4	3.4.1 Authentic, Truthful and Based in Facts	45
Data and Intellectual Property	4	3.4.2 Emotional, Personal, and Resonant	46
Foreword by Miles Young.....	5	3.4.3 Simple, Consistent and Coherent	47
Executive Summary.....	6	3.4.4 Aspirational and Actionable	48
Recommendations.....	8	3.4.5 Memorable.....	48
1. Introduction	9	3.4.6 Strategically Structured and Carefully Crafted.....	49
1.1 What is Narrative in Business?.....	11	3.4.7 Targeted and Rooted in Audience Needs ..	50
1.1.1 Functions of Narrative in Business.....	11	3.5 Narrative Scepticism.....	50
1.2 Successful Narratives	12	4. What are Narrative Skills?.....	52
1.3 Complex Audiences	12	4.1 Narrative Communication.....	54
1.4 Narrative Forms	12	4.2 Empathy and Perspective Taking	55
1.5 Narrative Delivery	13	4.3 Critical Analysis, Synthesis, and Managing Complex Data.....	57
1.6 Diversity and Narratives	13	4.4 Creativity and Imagination.....	58
1.7 Narrative Skills Framework.....	14	4.5 Digital Skills.....	59
1.8 The Role of Higher Education	14	4.6 Narrative Skills: A Holistic Framework for Employability	60
2. Why this research?.....	15	5. Narrative Skills Formation.....	62
2.1 Introduction.....	16	5.1 Narrative as a core skill for Arts and Humanities graduates	64
2.1.1 Narrative.....	17	5.2 Skills formation in the UK.....	68
2.2 Background.....	18	5.2.1 A call for interdisciplinarity	68
2.2.1 The Arts and Humanities.....	18	5.2.2 The role of employers in narrative skills formation	70
2.2.2 Critiques of HE policy and Emphasis on Economic Purpose.....	19	6. Conclusion.....	71
2.2.3 Intrinsic Value.....	20	6.1 Narrative in Business	72
2.2.4 Public Value.....	20	6.2 Narrative Skills	73
2.2.5 Economic Value.....	20	6.3 Skills Formation	74
2.3 Narrative in Business	22	7. Recommendations	75
2.3.1 Definitions.....	23	8. References.....	76
2.4 Methodology.....	25	Appendix 1.....	80
2.4.1 Participants	26	Participant List	80
2.4.2 Ethics	28	Appendix 2.....	81
3. What is Narrative in Business.....	29	Structure of FTSE100.....	81
3.1 How Narrative Works	30	The UK economy and business	81
3.1.1 Communicating Business Purpose and Values	31	Diversity in FTSE100 companies	84
3.1.2 Persuading through Story	35	Ethnicity	84
3.1.3 Driving and Managing Change	37	Gender	85
3.2 Narrative Audiences.....	39		
3.3 Mechanisms of Narrative Delivery.....	41		
3.3.1 Written Narrative.....	42		
3.3.2 Digital Delivery Mechanisms	42		
3.3.3 Narrative as Performance	43		

The project was run by the Centre for Skills, Knowledge, and Organisational Performance (SKOPE) at Oxford University Department of Education. SKOPE was initially founded as an ESRC research centre and, over the last two decades, has become established as the global voice on issues related to the intersection of education and employment and skills supply and demand.

About the Authors

Dr James Robson (Co-PI) – Deputy Director of SKOPE and Departmental Lecturer in Higher Education.

Robson's research focuses on HE policy, education and work, employability, graduate labour markets, and skills supply and demand. His research has been funded by the ESRC, GCRF, DfID, the British Academy, the Royal Society, and the Edge Foundation. Specific projects include an examination of Humanities graduates' labour market outcomes, skills, and wider conceptualisations of the value of Humanities degrees, as well as wider studies of employability, the future of work, and skills formation for a green economy. He has extensive experience in a wide range of qualitative and quantitative research methodologies.

Dr Ben Holgate (Co-PI) – Leverhulme Early Career Fellow, Department of Comparative Literature, Queen Mary University. Holgate's current research investigates how the data economy has fundamentally transformed the way we live. This research is interdisciplinary, combining literary studies, economics and finance, and computer science. He has worked as a journalist, business development executive for global media company News Corp, and equities research analyst in investment banking. His monograph, *Climate and Crises: Magical Realism as Environmental Discourse*, was published in 2019.

Dr Ashmita Randhawa (Research Officer) – Research Officer, SKOPE Research Centre. Randhawa's research focuses on STEM education and STEM skills and the development and deployment of employability skills. She comes from a business background and has extensive experience of quantitative and qualitative research. She supported interview collation, data handling, data analysis, and report production.

Project Advisory Group

The success of this project depended on accessing senior business leaders across a range of high-profile companies. A project advisory group was brought together for the project to facilitate participant recruitment by providing introductions to high level business leaders. The composition of the advisory group, which represents a senior and influential cross-section of the target communities, enabled the core research team to access a senior level of respondents.

The group comprised:

Titles accurate in February 2021

Christopher Smith (Chair)
Executive Chair, AHRC

Jonathan Paine (Chair)
Senior Adviser, Rothschild & Co

Sir Peter Bazalgette
Chair, ITV

Sir Drummond Bone
Senior Independent Member, AHRC

Dinah Caine
Chair of Council, Goldsmiths, University of London

Sir Nigel Carrington
Vice-Chancellor, University of the Arts London

Dame Carolyn Fairbairn
Director General, Confederation of British Industry (CBI)

Edward Harcourt
Director of Research, Strategy and Innovation, AHRC

Nigel Higgins
Group Chairman, Barclays

Sir John Kingman
Chair, Legal and General; Chair, UKRI

Catriona Seth
Marshal Foch Professor of French Literature, Oxford University

Andrew Thompson
Former Executive Chair, AHRC; Professor of Global and Imperial History, Oxford University

Data and Intellectual Property

All intellectual property related to this project is owned by Oxford University. All data collected in, generated by, and associated with the project are owned by Oxford University. The research team has sole access to these data.

FOREWORD FROM MILES YOUNG

Here is a riddle.

What is of overarching importance but receives little recognition, is fundamental to success but receives limited training, and is intrinsic to creating purpose but receives little praise?

The answer is: storycraft, or, more prosaically, narrative skills.

Put simply, how does a business explain itself? And how do its employees at any level within it explain what they are doing and what they want to do?

Narratives humanise data. Stories clarify, captivate and compel. But, until now, the business case for narrative skills and storycraft has been signally missing. Is it, perhaps, that it seems somehow 'unbusinesslike' to advertise the benefits, or even the existence, of such transferable skills? Maybe it's just safer to confine them to the realm of the unspoken or, at best, of anecdote.

This report commissioned by the Arts and Humanities Research Council exposes some of the truth and removes some of the anecdote, which is that British business leaders not only value narrative for themselves and their businesses, but see the need for it increasing and the willingness of the educational system to underpin it falling short.

They see narrative as something which holds their businesses together. It coheres. Driven by values and imbued with purpose, it is the means by which they engage with an increasingly complex range of stakeholders, internal and external. It frames issues. It provides the advocacy dimension to strategy. It helps in defining the higher levels of a strategy. It provides a means for navigating change. It is an agent of simplification in a world which is unmanageably complex. It motivates employees and includes them in the organisation. For businesses facing the challenges of emerging from the pandemic, no roadmap alone will be enough: but a carefully crafted narrative will help.

Perhaps it is only now, a quarter century or so into the digital revolution, that there is enough space for proper perspective on these issues.

First, it has created 'meaning lag': the more content, the less easy it is to create meaning out of it. It is narrative which can create that meaning, editing out what is unnecessary or distracting. Secondly, social media makes it less likely that the meaning which does emerge is truth-based. Fake meaning abounds, from news to opinion. Narrative is a discipline, a probing process, which creates sense out of nonsense. And, thirdly, digitally enabled neuroscience shows that emotion is not a self-indulgent luxury in our behaviour but a fundamental driver. Many things are decided emotionally, and then the brain proceeds to create rational justification for those decisions. Storytelling which engages these emotions will better influence decisions.

But it is clear that business leaders believe there is a danger of narrative skills being lost. They are not wrong. The arts and humanities, a major source of these skills, are sometimes caricatured as unnecessary to the economy. This new research points to the siloisation of education as having an additional effect: STEM students do not have the opportunities they need to learn storytelling themselves. The combination of these two factors risks entrenching a binary divide, and, therefore, a general under-skilling of our management resources.

This report argues for building a narrative skills framework, which will encompass communicative, empathetic, critical, creative and digital skills.

The good news is that this can happen while the country still has large reservoirs of talent and experience in humanities and the arts. The time has come to build them up into what they should be, a source of competitive advantage as our emerging post-Brexit national narrative takes form.

Miles Young is Warden of New College, Oxford, the first businessman to hold the role. His business career has been spent in advertising and marketing, most recently as Chairman and CEO of Ogilvy and Mather, a leading global communications network.

EXECUTIVE SUMMARY

This research project about the role of narrative in business was undertaken at an inflection point in history. The interviews with 34 business leaders, most of whom are CEOs and Chairs of FTSE100 companies, occurred during the first year of the COVID-19 pandemic from September to November 2020 via online video calls. Most of the interviewees were working from home, like many of their employees, and were battling to not only steady their own businesses during a tumultuous period, but also to fathom what the future might look like. As a result, the researchers were able to engage with the business leaders at a time when they were ruminative and open-minded.

Amid the chaos and confusion, two things were certain, they said. First, the world would never return to the way it was before early 2020. And second, the structural changes already wrought by digitisation had been accelerated by the pandemic. “What’s happened over COVID is that something that might have played out over five years has been played out over five months,” said one FTSE100 Chair.

This report, therefore, captures a certain zeitgeist, reflecting both current and emerging conceptualisations of what narrative in business actually is amid a rapidly changing world. For the first time ever, this ground-breaking report reveals how prominent business leaders in the United Kingdom view and utilise narrative as an integral part of doing business. Based on these exclusive interviews, the key findings of this research study are that:

- Narrative is a fundamental and indispensable set of skills in business in the twenty-first century. The ability to devise, craft, and deliver a successful narrative is not only a pre-requisite for any CEO or senior executive, but is also increasingly becoming necessary for employees in any organisation.
- Narrative is about persuading another person to embrace an idea and act on it. Narrative is something that exists in action rather than a static message.
- Narrative is necessary for a business to communicate its purpose and values. This reflects dramatic societal and economic changes this century by which society as a whole and employees, especially younger ones, expect businesses to live and operate by positive values. The old corporate objective of focusing on maximising shareholder financial returns is no longer sufficient.
- A successful narrative must be authentic and based on facts and truth.
- Audiences for business narratives are becoming increasingly numerous and diverse. Previously, businesses would focus external communications on core audiences such as customers, suppliers, investors, and regulators. Now businesses must engage with a wider variety of stakeholders and a diverse workforce, actively taking a position on key social issues including the environment, social well-being, and the community.
- Writing is a critical part of narrative, but it is as much a performative as it is a written form of communication. Body language, facial expressions, staging and engaging an audience are as important as the written word when it comes to disseminating a business narrative.

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- The delivery of narrative is becoming increasingly complex as businesses leverage an ever-growing range of digital platforms to engage with multiple audiences in real time. CEOs, executives, and managers are progressively communicating with their employees (often amounting to tens or hundreds of thousands of people), customers, and external stakeholders through videos, podcasts, virtual ‘town hall’ meetings, and similar mechanisms in order to make their narratives personal and appeal to a wide variety of individuals. In turn, businesses monitor the effect of their narratives through online questionnaires, social media, and other ways so that they can continuously refine their messages as required.
 - Diversity is integral to narrative on two levels. First, in a multicultural society like Britain even an internal narrative for domestic employees must appeal to people from different cultural, ethnic, gender, linguistic, religious, and educational backgrounds. And for businesses with offshore operations those narratives must cross geographic, social and cultural borders. Second, the devising and crafting of a business narrative must be done by a diverse group of people, reflecting the differences in background among audiences as highlighted above.
 - Arts and Humanities university degrees are better placed than others to train graduates with narrative skills. However, the consensus among business leaders interviewed for this project is that the education system in England – at secondary and tertiary levels – is far too siloed for the needs of the economy in the twenty-first century, forcing students to choose between either the Arts and Humanities or STEM-related (Science, Technology, Education, and Mathematics) subjects too early in age. Instead, they argue that the education system should encourage and support students to undertake multidisciplinary courses of study, because business problems require multidisciplinary solutions. Moreover, they argue that the Arts and Humanities does not have a monopoly on narrative skills, and that narrative should be taught in STEM-related courses as well.
 - Development of narrative requires business experience. Participants highlighted a need for greater joined up thinking and partnership working between the business and educational worlds to ensure young people get adequate opportunities to develop narrative skills in both educational and work contexts.

Based on these findings, this research has developed an innovative Narrative Skills Framework for conceptualising the skills associated with business narratives and valued by the business leaders. These skills are: Narrative Communication; Empathy and Perspective Taking; Critical Analysis, Synthesis, and Managing Complex Data; Creativity and Imagination; and Digital Skills. This framework provides an important new mechanism for understanding the core skills required by businesses in the future in a format that can be integrated into education and training programmes in both university and business contexts.



RECOMMENDATIONS. This report recommends that:

- Further research is undertaken to map the relationship between current educational provision and narrative skills formation using the Narrative Skills Framework developed in this research project.
- Universities and other tertiary institutions, particularly departments involved in embedding employability skills in student learning (e.g., careers services), explicitly adopt the language of narrative skills and the Narrative Skills Framework as a means of analysing the relationship between current skills formation and the skills that businesses actually value.
- Businesses explicitly use the Narrative Skills Framework to underpin recruitment and training practices, ensuring that individual employees think carefully about `developing narrative skills valued by business, particularly for leadership positions.
- Universities and businesses conceptualise skills formation in holistic terms as taking place across formal education and training as well as through work-based learning, and use the Narrative Skills Framework as the basis for deepening a meaningful working relationship.

1. INTRODUCTION



Narrative skills are fundamental and indispensable in business in the twenty-first century. The ability to devise, craft, and deliver a successful narrative is not only a pre-requisite for any CEO or senior executive, but is also increasingly becoming necessary for employees in any organisation.

This ground-breaking report reveals how prominent business leaders in the United Kingdom view and utilise narrative as an integral part of doing business. Based on extensive interviews with 34 business leaders, most of whom are CEOs and Chairs of FTSE100 companies, the study fills a gap in extant scholarship on narrative in a business context, an area that is both under-researched and under-theorised.

In addition, the report updates and revitalises the idea of what narrative constitutes. Much academic discourse on narrative emanates from literary theory, which in turn focuses mostly on literary texts, predominantly the novel. Yet this kind of academic discourse ignores how narrative operates in the real world, and especially in the commercial world. By contrast, this project employs rigorous, empirical research in order to understand how business leaders conceptualise and deploy narrative in the twenty-first century, and to understand the complex skills now required for a business narrative to succeed.

Importantly, the researchers interviewed the business leaders during the first year of the covid-19 pandemic from September to November 2020 via online video calls. Most of the interviewees were working from home, like many of their employees, and were battling to not only steady their own businesses during a tumultuous period, but also to fathom what the future might look like. As a result of the extraordinary circumstances, the researchers caught the business leaders at a time when they were ruminative and open-minded – reflecting openly on past practices and the needs of the future. Moreover, the vast majority of them were willing to share their innermost thoughts because the interviews were conducted anonymously and confidentially, as is standard practice for academic research of this kind. It is a truism that people will tell you more if they can do so without being publicly associated with what they actually tell you.

Amid the chaos and confusion, two things were certain, they said: first, the world would never return to the way it was before early 2020: and second, the structural changes already wrought by digitisation had been accelerated by the pandemic. “What’s happened over COVID is that something that might have played out over five years has been played out over five months,” said one FTSE100 Chair. One CEO referred to the way this all played out in terms of “the ferocity of change”. All the business leaders agreed that COVID-19, rapid technological change, and shifts in social discourses and economic structures have meant that businesses are increasingly working in a highly complex world and need to engage with a wide and an ever-expanding, complex range of internal and external audiences.

This report, therefore, captures a certain *zeitgeist*, reflecting both current and emerging conceptualisations of what narrative in business actually is and the skills business leaders value amid a rapidly changing world. As such, it shows how the nature of narrative in business is continuously adapting and evolving in response to those changes.

1.1 What is Narrative in Business?

Narrative in business is much more than telling a story. Narrative is about persuading another person to embrace an idea and act on it. Or as one boardroom head put it: “Narrative is the ability to tell your story or your direction.”

Business leaders in general regard narrative as something that exists in action rather than as a static message. One of the most important points that resonated across all the interviews was that the participants often felt uncomfortable using the term narrative as a noun. Narrative was consistently viewed as existing in action and activity.

1.1.1 Functions of Narrative in Business

Business leaders spoke of the different functions of narrative in three main interconnected categories:

1. Communicating business purpose and values: Narrative is essential for a business to articulate and communicate its strategic purpose, or, as one participant called it, the “grand narrative”. Yet a grand narrative should not be an impersonal articulation of what a business does, but rather something that engages and inspires its audience to ‘get behind’ the strategic vision. “It’s about getting people bought into a clear vision of what the future might look like, and creating a path or a journey to get there,” said one CEO. Interviewees repeatedly stressed how important it is to communicate a “shared common purpose” to employees so that they felt motivated to come to work each day “doing something that they believe in.”

A key theme elucidated was that social norms and expectations have changed dramatically this century. Society as a whole and employees, especially younger ones, expect businesses to live and operate by positive values and engage with key social issues. The old corporate objective of focusing on maximising shareholder financial returns is no longer sufficient. As one veteran Chair said: “What I think companies are struggling to do, to a greater or lesser degree of success, is to try and formulate a sense of purpose and a set of shared values that will guide people, even when the rules aren’t clear.” As result, there is an increasing emphasis on placing Environmental, Social, and Governance (ESG) as a critical component of a company’s overall purpose. “The societal expectations of what business is responsible for are expanding more and more,” said one Chair. “Business is under colossal pressure at the moment to adapt the way in which it thinks about its purpose and its responsibilities more generally in society.”

2. Persuading through story: Participants in general conceive of narrative as pervading all aspects of communication across a wide range of internal and external audiences and stakeholders, from presenting a financial argument to convincing an investor to put money into the business, or a customer to purchase a product or service. Narrative therefore involves persuading an audience to do something: buy into an idea, buy a product or service, or change a behaviour. That decision-making process is rarely rational. It must appeal to the heart as well as the head. As one participant asserted, “it involves emotion and personalisation”. As such, participants argued that the storied nature of narrative is critical in persuading the audience. “The way you persuade people is to say something which is emotional, and narrative tends to be emotional ... Statistics and equations are not terribly emotional,” said one CEO.

3. Driving and managing change: Narrative is often regarded as a tool that can drive change and / or manage change in a business. Narrative has the power to shift perceptions about a company, aspects of its operations, or even definitions of core business terms if those perceptions have become outdated or ossified. Narrative has the capacity to imagine a future reality that is different to the present reality. “To change what we know about the world is very difficult. Narrative is a really important piece of that. It’s only when you go through a long story and go right back to first principles that you can take people on the journey to understand why you’d want to change it.”

1.2 Successful Narratives

In general, a successful narrative was deemed to be one that achieves the narrator’s (or business person’s) desired outcome. Participants collectively identified seven related aspects that they regard as essential to a successful narrative: 1) authentic, truthful, and based on facts; 2) emotional, personal, and resonating with the target audience(s); 3) simple, consistent, and coherent; 4) memorable; 5) aspirational and actionable; 6) strategically structured and carefully crafted; and 7) targeted and rooted in audience needs.

The overwhelming consensus among interviewees was that the pre-eminent measure of a successful narrative in business is authenticity. “People respond to authenticity. In every walk of life. They trust you. If there’s trust and they think you’re being honest they respond to that very positively,” said one Chair. Several highlighted the importance of distinguishing between narrative based on truth and facts and spin or fictional messaging.

1.3 Complex Audiences

Businesses are increasingly having to deploy narratives to a wide range of often vastly different and numerous audiences. Previously, businesses largely limited their focus on external communications to core audiences such as customers, suppliers, distributors, investors, and regulators. But these days businesses must cater to the needs of not only a diverse workforce but also a wide variety of stakeholders. As businesses, they need to engage with key issues relevant to local, national and international communities, including, for example, the environment, social well-being, and so on.

The needs and agendas of audience members are complex and often in tension with each other. While a well-crafted narrative can bring these audiences together and help a business to navigate and possibly overcome tensions and conflicts, participants emphasised that the starting point of any narrative must be knowing your audience. “As you construct this narrative you are constructing it with a permanent consciousness of how will this be received,” said one Chair. “It’ll land on stony ground if you fail to anticipate the reaction, interest, emotions of your audience.”

1.4 Narrative Forms

A revealing finding of this research was how much business leaders place an emphasis on narrative as performance. The conventional view is that narrative exists predominantly as a written form of communication. While writing was highlighted as a critical part of narrative, interviewees repeatedly emphasised how, particularly during the pandemic, they were looking at creative ways to exploit digital communications platforms in order to deliver messages to internal and external audiences as a performance, especially through video. This has the added benefits of personalising a narrative and appealing to people’s emotions. Body language, facial expressions, visual storytelling, staging, and engaging a live audience, among other things, are regarded as being just as important as the written word.

“It’s all a bit of theatre,” said a CEO. “If you haven’t got those skills naturally, if you’re in a position where you have to present to audiences, you’ve got to learn how to do that.” Indeed, business leaders reported that some of their companies are hiring professional actors to train their executives and managers in how to perform and engage with an audience.

1.5 Narrative Delivery

The delivery of narrative is becoming increasingly complex as businesses leverage an ever-growing range of digital platforms to engage with multiple audiences in real time. CEOs, executives, and managers are progressively communicating with their employees (often amounting to tens or hundreds of thousands of people), customers, and external stakeholders through videos, podcasts, virtual ‘town hall’ meetings, and similar mechanisms in order to make their narratives personal and appeal to a wide variety of individuals. In turn, businesses monitor the effect of their narratives through online questionnaires, social media, and other ways so that they can continuously refine their messages as required.

Digital communications are now the most important means of deploying narratives. Yet a key concern among business leaders is that constant innovation and new or evolving products in digital communications mean that the activity of communicating narratives to different audiences and stakeholder groups is becoming increasingly complex. The long-ago days of primarily relying on a corporate website and email have been supplanted by “the daily grind” of keeping on top of social media platforms, smartphone technology, and a relentlessly shape-shifting digital ecosystem. However, many participants also emphasised the important affordances that digital delivery mechanisms bring, both in terms of scale (reach and amount) and in terms of personalisation.

1.6 Diversity and Narratives

Diversity is integral to narrative on two levels. First, in multicultural society like Britain even an internal narrative for domestic employees must appeal to people from different cultural, ethnic, gender, linguistic, religious, and educational backgrounds. And for businesses with offshore operations those narratives must cross geographic and other borders. Second, the devising and crafting of a business narrative must be done by a diverse group of people, reflecting the differences in background among audiences.

“Diversity only thrives if the culture is truly inclusive,” proclaimed one CEO. “We focus on creating a culture that values diversity in its broadest sense, not just gender and ethnicity ... Having diversity in people’s backgrounds, and thinking styles, and problem-solving styles is hugely valuable ... The quality of what comes through from diverse teams, there’s no question, in my mind, that’s significantly higher impact than non-diverse teams. And so we call it a strategic priority.”

1.7 Narrative Skills Framework

Business leaders highlighted a specific and distinct skillset associated with narrative and now consider these narrative skills to be an essential part of business and particularly value them in their employees. Based on these findings, this report has developed an innovative Narrative Skills Framework for conceptualising these skills and their interaction. The narrative skillset comprises:

- **Narrative Communication**
- **Empathy and Perspective Taking**
- **Critical Analysis, Synthesis, and Managing Complex Data**
- **Creativity and Imagination**
- **Digital Skills**

1.8 The Role of Higher Education

The report also examines business leaders' views on the role of higher education (HE) in the UK in delivering narrative skills. It finds that business leaders typically view arts and humanities degrees as having an important role in training students in narrative skills, but they are critical of the standards and approaches. While arts and humanities disciplines do not have a monopoly on narrative skills, they are seen as specialising in a range of skills that foster this area, such as essay writing, critical thinking, creative thinking, rhetoric and persuasion, storytelling, cross-cultural studies, social analysis, and dealing with ambiguities.

Despite recognising the need for subject specialist knowledge, business leaders are overwhelmingly critical of the UK education system's siloed approach to academic disciplines, separating arts and humanities subjects from STEM-based ones. Instead, they argue that the complexities of the contemporary world require an emphasis on multidisciplinary studies. As such, they argue that narrative skills should become a requirement in any degree.

Participants also emphasised that narrative in business is an active process and so narrative skills are partially formed through engaging in narrative related activities in business contexts. Therefore, businesses should not expect universities to produce graduates with a fully formed set of narrative skills. Businesses must play a role. There is, therefore, a continued need for universities and businesses to work more closely together to help students and graduates form relevant narrative skills.

The Narrative Skills Framework developed through this research project provides an important basis for deepening the relationship between businesses and HE and thinking critically about a holistic skills formation system that values both formal education and work-based learning. Businesses and HE institutions should therefore be more purposeful about providing appropriate structures to help individuals form narrative skills as a complete skillset in a strategic and holistic manner.

2. WHY THIS RESEARCH?

2.1 Introduction

Arts and humanities degrees are facing increasing scrutiny in both policy and public discourse in the United Kingdom and abroad. Degree value is increasingly conceptualised and measured in terms of graduate labour market outcomes and individual financial returns. Analyses in the UK of Longitudinal Educational Outcomes (LEO) data, Destinations of Leavers of Higher Education (DELHE) data, and the new Graduate Outcomes (GO) data have all shown that graduates from arts and humanities subjects, at an aggregate level, tend to earn less than peers taking more vocational subjects (particularly medicine) and, to a lesser extent, STEM subjects (Boero et al., 2019). As such, language of ‘low value degrees’ has become increasingly common in the HE policy landscape with many arts and humanities degrees explicitly described in these terms (Belfield et al., 2018). At the same time, analyses of skills shortages and skills gaps in the UK economy have highlighted a significant need for graduates from STEM subjects (albeit to fill gaps in specific sectors only), leading to policy level drives to increase the number of STEM graduates coming through HE, often at the expense of the Arts and Humanities.

As occurred during the austerity following the 2008 recession, the economic disruption caused by the coronavirus pandemic is likely to increase the criticism levelled at the arts and humanities. The UK is entering a significant youth unemployment crisis and a COVID-19 generation of graduates is likely to face periods of under- and unemployment and associated long-term economic scarring (Institute for Fiscal Studies, 2020). Commentators are predicting that graduates from ‘low value degrees’ will particularly struggle in this stretched labour market alongside graduates from subjects which do not have clear vocational pathways. As such, in the febrile economic landscape of COVID-19 and the current policy focus on restructuring the Tertiary Education sector, it is likely that the arts and humanities will face further pressure in terms of funding and student numbers.

In this increasingly critical time, it is important to examine the assumed critiques of arts and humanities degrees and reassess conceptualisations of degree value. Literature advocating the value of arts and humanities is extensive (see, for example, Bate, 2011; Belfiore and Upchurch, 2013; Crossick and Kaszynska, 2016; Small, 2016) and a great deal of quantitative work has been conducted on arts and humanities graduates’ short-term labour market destinations (e.g. Belfield, 2018). The British Academy has provided strong analyses of the important role arts and humanities graduates play in different sectors in the economy (BA, 2020) and the skills these graduates bring (Lyonette et al., 2017). However, given that financial and economic concerns underpin much of the critique, the views of business, particularly large-scale employers in the FTSE100, and business leaders have been relatively absent from the debates. It is often assumed that, based on aggregate level analyses of skills shortages and gaps, business leaders simply value STEM skills more highly than those associated with other subjects, a view partially rooted in James Dyson’s famous 2012 critique of arts and humanities degrees in favour of STEM (Whipple and Lay, 2012). However, little work has been undertaken on actually examining the perspectives of high-profile business leaders and the skills they actually value in practice – not least due to the challenges involved in accessing this group of high-profile individuals.

This report, therefore, presents findings from a research project focused explicitly on engaging with the business world, specifically business leaders from some of the largest companies in the UK. It starts, not with the Arts and Humanities, as much of the advocacy literature does, but with examining how business actually functions in practice and the core skills some of the most successful individuals in the UK business community value and associate with key business activities. This project offers a detailed, in-depth, rigorous, qualitative examination of business leaders' views of how business actually works, the skills required to be successful in business, and, broadly speaking, the way in which the current UK education and skills formation systems supply these skills. This then provides a useful starting point for complexifying conceptualisations of skills supply and demand, thinking about business skills requirements in nuanced terms, and how education systems are helping individuals to develop the skills businesses value.

2.1.1 Narrative

Work that has been undertaken on skills associated with Arts and Humanities degrees often tends to provide decontextualized lists of generic skills without meaningful frameworks for conceptualising skill deployment in real work settings (Tomlinson, 2017). This project, therefore, has been structured around and focused on the concept of 'narrative'. This is a term that has become increasingly prominent in business contexts over the last five years and is frequently used to describe a wide range of business activities, even as a catch-all term to cover all business activities (Bonchek, 2016; Kay and King, 2020). However, the concept of narrative in business is under-researched and under-theorised. Given the association of narrative with the arts and humanities and the common view that creation and examination of narratives forms the core part of any arts and humanities degree (Bate, 2011), we have focused on 'narrative in business' as a heuristic device for understanding how business works and as a potentially useful framework for examining and contextualising the role arts and humanities graduates can play in business.

As such, this project has been structured around the following research questions:

How is narrative conceptualised and how does it function in business?

How are narrative skills understood, deployed and valued in business?

What are business leaders' perspectives on the current provision of skills linked with business narrative?

These questions have been addressed through interviews with 34 business leaders (primarily CEOs and Chairs) from key organisations in the UK (primarily FTSE100) representing a range of industries and sectors. The access to these participants was facilitated through a high-profile advisory group, many of them business leaders in their own right. This afforded unprecedented access to a set of participants and enabled us to bring together a group of business leaders in a way that has never been done before in a research project of this kind. As such, this report provides vital insight into the way business operates and the skills that some of the most successful individuals in the business world actually value in practice.

2.2 Background

2.2.1 The Arts and Humanities

The publication of the Brown Report (2010) and the increase in university tuition fees (2012), reignited debates about the value of the arts and humanities, reminiscent of the highly public discussions initiated by C. P. Snow's (1958) critique of the cultural divide between the arts and the sciences. The Brown Report set out a range of policy recommendations that were swiftly adopted by the Conservative–Liberal Democrat Coalition government that brought in increased tuition fees in England and cut block teaching grants, felt particularly strongly by the arts and humanities; changes that were viewed as rapidly accelerating marketisation of the HE sector (Collini, 2012). At the same time, as clearly emphasised in the Dearing Review (1997), with increased fees and increased pressure on universities to provide 'value for money', the issue of graduate employability has come to dominate HE policy, with graduate labour market outcomes increasingly used as both a measure of institutional success and a regulatory tool.

The UK HE system has, over the last three decades, experienced enormous growth, going through the process of transitioning from, in Trow's famous terms (1973), a mass to a universal system (when 50% of the population of young people attend university). This rapid massification has led a number of analysts to question the value of what is often referred to as the 'graduate premium' – the increased earning potential graduates can expect to achieve in the labour market due to their qualifications compared with non-graduates (e.g. Holmes and Mayhew, 2016). Boero et al.'s (2019) recent analysis of Labour Force Survey data, for example, has shown that graduates born in 1970 earned on average 19% more than non-graduates at the age of 26. In comparison, graduates born in 1990, only earned 11% more. While this shows a devaluation of the graduate premium at an aggregate level, more fine-grained analysis of LEO, DLHE, and GO data show that graduates from some subjects and some institutions have no graduate premium at all, earning less than their non-graduate peers five years after graduation (e.g. Belfield et al., 2018).

These 'low-return' degrees, that are associated with weak graduate labour market outcomes, are facing increasing scrutiny and criticism in both public and policy-led discourses. They were explicitly critiqued in the Augar Review of Post-18 education, were called to close by Education Secretary Damien Hinds in 2019 and Education Secretary Gavin Williamson in 2020, and recently again by Universities Minister Michelle Donelan. Increasingly, many arts and humanities degrees are also being associated with weak financial returns, particularly when compared to vocational degrees (medicine, veterinary science) and some STEM subjects (e.g. engineering) (Prospects Luminare, 2020) and so, all arts and humanities subjects are often implicated in the critiques. However, the picture is complex: many 'low return' degrees are linked with key work such as nursing and social work, the low rates of financial return often reflect issues in what is financially valued in the labour market (rather than needed in society), data that link earnings only five years after individuals complete their degrees may not reflect the messy realities of graduates' career trajectories, and the data is complicated by intersecting issues of class, race, and socio-economic status (Brown et al., 2020).

However, what is clear is that, over the last decade, the combination of marketisation, changed fees and funding structures, massification, and an increased focus on employability, exacerbated by a weak economy following the 2008 crash, has led to policy and public critique of the arts and humanities which have seen a decrease in both funding and student numbers. As such, the arts and humanities have increasingly become a battleground for how value in HE is conceptualised and it is unsurprising that, since the publication of the Brown Report, there has been a flood of publications advocating for the arts and humanities and defending the value of arts and humanities degrees.

Broadly speaking, this literature takes four main, often overlapping, forms: critiques of the policy landscape and, increasingly, an approach that prioritises the economic purpose of HE and employability; defences of the intrinsic value of the arts and humanities in their own right; advocacy approaches that emphasise of the public value and, to a certain extent, the instrumental utility in social and cultural terms of the arts and humanities; and analyses that emphasise the economic importance of the arts and humanities.

2.2.2 Critiques of HE policy and Emphasis on Economic Purpose

Literature critiquing shifts in the global HE policy landscape, particularly in terms of marketisation and the discursive and regulatory emphasis on employability, is extensive. It is not necessarily focused on the arts and humanities, although much highlights that arts and humanities subjects struggle in a climate that values HE in terms of economic impact, individual financial returns, and private goods. In the UK, the field has, over the last 10 years, been dominated by overtly political publications campaigning against the changing trends in HE policy. In the years immediately following the Brown Report and policy changes of the Coalition government, the critiques focused on marketisation (e.g. see Docherty, 2011; Collini, 2012; Freedman, 2011; Holmwood, 2011). For example, Belfiore and Upchurch, suggested that the introduction of market mechanisms has

“Not simply changed the way in which education is being delivered, but has in fact altered the very notion of higher education as a public good, substituting it with the notion of education as a commodity to be traded in the market, thus recasting universities as a site for the production and sale of a valuable commodity.” (2013: 5)

In more recent years, the introduction of the LEO dataset, which combines educational records with tax and benefits data, has enabled a detailed discussion of financial returns, delineated by degree subject and institution. This has been a core part of bringing the graduate employability agenda, introduced explicitly in the Dearing Review in 1997, to the front of policy discussion and embedded in regulation and conceptualisations of degree value and teaching excellence, illustrated by, for example, the importance of graduate outcomes in the Teaching Excellence Framework. As such, more recent critiques have raised concerns about the prominence of employability and the emphasis on the ‘economic purpose’ in current UK HE discourses, where the economic purpose is conceptualised as preparing students for work and supplying employers with work ready graduates. This is exemplified in Ashwin’s recent work (Ashwin, 2020) which argues that that economic considerations of value in HE have overreached themselves, been overemphasised in policy and public discussion, and so have distorted our understandings of the value of HE. This is rooted in the argument that the educational purpose of university education is not to prepare someone for their role in the future workforce. Rather, it is to bring students into a ‘transformational relationship to knowledge that changes their sense of who they are and what they can do in the world’ (Ashwin, 2020: 26). As argued by Ashwin, this prepares them to make a contribution to society, including through their contribution to the labour market, but this is a by-product of the central educational purpose, not the primary driving force.

2.2.3 Intrinsic Value

To a certain extent, literature that argues that the economic purpose of HE has dominated at the expense of the educational purpose is often rooted in Newman's Idea of the University (Newman, 1852), which emphasises the intrinsic value of knowledge and education for its own sake. Similarly, there is a strong body of literature, particularly emerging from the UK and the US (with a focus on Liberal Education) that emphasises the intrinsic value of the arts and humanities. This argument is exemplified by Small's impressive articulation of the Value of the Humanities (Small, 2013), which, to a certain extent, stands in the face of dominant discourses that demand degree subjects justify themselves in instrumental terms. Instead, Small argues that the humanities matter for their own sake and can stand on their own simply by virtue of their distinctive disciplinary character and their distinctive understanding of what constitutes knowledge. Such arguments are valuable but, perhaps, resonate most with audiences within the arts and humanities, failing to engage with critics conceptualising HE in terms of economic outcomes, financial returns, and value for money.

2.2.4 Public Value

There is an extensive body of literature which does attempt to engage with critics through more instrumental lenses, focusing particularly on the value of the arts and humanities for society and the public. The range of work analysing the social and public value of the arts and humanities is captured well in Bate's edited volume on the public value of the humanities (Bate, 2011), which emphasises the importance of 'learning from the past', 'looking around us', 'informing policy', and 'using words and thinking hard'. Broadly speaking, this collection of essays, and other works within this genre, tend to emphasise the value of the arts and humanities in a wide range of ways as a force shaping social and public life. This was taken forward by Crossick and Kaszynska's detailed analysis of the value of arts and culture which not only examined a wide range of impacts of the arts and humanities in society (including economic value as well as public value) but also provided a critical framework for evaluating such impact (Crossick and Kaszynska, 2016). However, the focus of this and similar work is often on arts and humanities research rather than taught degrees. While much of this literature takes a Humboltian view, emphasising the critical importance of the relationship between research and teaching, there is little overt engagement with economic criticisms related to low value degrees or concerns raised over the need for graduates with skills more closely related to STEM subjects. Such a body of literature provides a rich and compelling justification for broad public spending on the arts and humanities and on high level, high quality arts and humanities research, but perhaps struggles to engage with criticism levelled at specific degree courses.

2.2.5 Economic Value

The final genre of literature advocating for the arts and humanities and, perhaps more explicitly, the place of arts and humanities degrees within HE, engages overtly with the economic critiques more frequently levelled at the disciplines. A report by the British Academy, for example, as well as several reports by the Arts and Humanities Research Council have argued that the arts and humanities (as well as the social sciences) inform social, cultural and economic wellbeing, specifically, in economic terms, contributing to the knowledge economy as well as the wider economy through bookshops, museums, theatres, heritage sites etc. (AHRC, 2009a; AHRC 2009b; British Academy, 2008; Crossick and Kaszynska, 2016).

However, the majority of the arts and humanities advocacy research that engages with the increasing dominance of the employability agenda and economic conceptualisations of the purpose of HE, is firmly rooted in the language of skills. The majority of this work is focused explicitly on individual subjects and the utility of the skills associated with them (see for example Carey, 2015 on Fine Arts graduates; Ball, Pollard and Standley, 2010, on Creative Arts graduates; Communian et al., 2015, on Music graduates etc.). A small number of studies have explicitly analysed arts and humanities graduates in holistic terms, most prominently Kraeger (2013), Lyonette et al. (2017; funded by the British Academy), and the British Academy (2020).

Kraeger analysed the skills of graduates who had taken humanities degrees at Oxford 20–50 years ago. Based on interviews with 50 participants, he highlighted a range of key transferable skills linked with the humanities, notably writing and communication skills, critical analysis, and synthesis skills showing graduates made use of these in a wide range of sectors in the UK economy. However, although a rigorous piece of research, the majority of Kraeger’s sample undertook their studies in a vastly different HE context and policy landscape compared with today and participants navigated a very different labour market. The work was also focused solely on Oxford University and so it is debatable how relevant the findings are for today’s context and the broader UK HE sector.

Lyonette et al. (2017) provide a detailed examination of the skills associated with arts and humanities (as well as social science) degrees through a detailed literature review, secondary analysis of a range of national data sets on graduate destinations, focus groups with graduates, and qualitative interviews with a small number of employers. This extensive and detailed research, funded by the British Academy, emphasises that arts and humanities graduates work in a variety of sectors and deploy a wide range of skills associated with their degrees in the labour market. These skills include creativity, innovation, analytical and critical reasoning, problem solving, working independently, good time management, working to deadlines, self-discipline, juggling priorities, persistence, self-motivation, literacy, communication skills, team work, and taking initiative and responsibility in work. However, while the study includes quantitative analysis of future and current skills needs and interviews with employers, this top level analysis does not necessarily capture the complexities and nuances of skills deployment and formation at the meso and micro levels and, with only six interviews undertaken with employers, the voices of businesses, particularly the perspectives of business leaders, are limited.

The British Academy’s most recent publication on arts, humanities and social science graduates similarly provides top level analysis of graduates’ destinations, highlighting that employment rates for these students compare favourably with STEM graduates, that key transferable skills associated with arts, humanities and social science degrees enable graduates to work in a wide variety of roles and sectors, and that financial returns may not be students’ only motivations to study their degrees (BA, 2020). However, all of these publications, while providing rich and detailed analysis, largely start with the arts and humanities, examining the skills the graduates themselves say they have used in their working lives rather than the skills that employers really value. These kinds of studies often struggle to capture the nuance and complexity of employers’ perspectives, not least due to the challenges of getting high profile figures to participate in research projects often relying only on aggregate level skills needs surveys and/or a small number of interviews. Given the importance of business, particularly big business, both within the UK economy and as a major destination for arts and humanities graduates (see Luminare Prospects, 2020), there is a clear need for work on the arts and humanities to engage more overtly with business and understand what skills are actually valued in practice within business contexts rather than the skills arts and humanities graduates state they use. In other words, there is a clear need to examine the complexities of skills deployment from the demand side, rather than just the supply side of skills.

More broadly speaking, work on graduate skills often falls into the trap of taking an uncritical view of skills, skills formation, and skills deployment, whereby skills are conceptualised as akin to physical capital that can essentially be ‘bought’ through investment in education, possessed by individuals, and used in suitable employment contexts (Brown et al. 2020). Conceptualisations of skills as ‘things to be acquired’, rather than dynamic contextual, as is often embedded in simple readings of Human Capital Theory (Becker 1962), often ignores complex societal factors, such as class, that structure individuals’ choices, experiences and opportunities, and the political nature of skill valuation (Brown et al., 2011; Green, 2013; Keep and Mayhew, 2010; Payne, 2017; Tholen, 2017). They often lead to decontextualized lists of generic skills without meaningful frameworks for contextualising skill deployment in real work settings (Tomlinson, 2017). For this project, we have sought to develop such a framework through the lens of narrative as a meaningful way of conceptualising skills relevant to business and contextualising their deployment in real business settings.

2.3 Narrative in Business

Narrative has acquired particular visibility in the business world over the last five to ten years. Companies promote their products and brands through advertising, their corporate identity through public relations, and their attractiveness as investments through financial intermediaries. In an online world, consumers buy the ‘narrative’ of the product before they even see it. Understanding how narrative works is implicitly seen as a key business skill (Bonchek, 2016). The professions that serve business – from advertising agencies to banks and beyond – have arguably become specialists in ‘narrative management’. The essential tools of management, from a business plan to a prospectus, can be seen as a form of narrative.

Narrative, and skills associated with creating and analysing narratives are overtly associated with arts and humanities degrees. Irrespective of the sub-discipline, an arts or humanities education is seen as requiring students to understand the principles of narrative construction, teaches them fluency in constructing and presenting their own narratives, and helps them better understand the narratives of others (Bate, 2011; Small, 2013). In this project, we therefore aim to examine how narrative works in business and the skills associated with it, in order to develop a meaningful framework for thinking about the employability of arts and humanities graduates and the contextualised deployment of their skills in business contexts.

However, narrative in business and the skills associated with it are under-researched and under-theorised, despite gaining increasing prominence in business contexts. This short section, therefore, presents a summary of the existent literature on narrative in business.

Amazon founder and CEO Jeff Bezos is renowned for insisting that his executives use long-form narrative memos for meetings. Bullet lists are banned at the online retail giant:

“We don’t do PowerPoint (or any other slide-oriented) presentations at Amazon. Instead, we write narratively structured six-page memos. We silently read one at the beginning of each meeting in a kind of “study hall.” ... Some have the clarity of angels singing. They are brilliant and thoughtful and set up the meeting for high-quality discussion.” (Bezos, 2018)

Bezos expects a six-page memo to take at least a week or more to write; not days, let alone hours. Internally, Bezos refers to these meetings documents as “narratives.” He believes that long-form prose fosters critical thinking (Stone, 2014).

The *Financial Times* remarked that Bezos’s “faith in narrative” was “surprising,” given that Amazon relies on data to run its business (Gapper, 2018). Yet the entrepreneur’s advocacy of the power of narrative reflects a long-standing recognition among business leaders that storytelling is critical to commercial success. “Successful businesses are built around narratives,” assert former Bank of England governor Mervyn King and the economist John Kay (Kay and King, 2020: 228). While not everyone may have staff who can emulate the clarity of angels singing, most managers need to rely on employees to tell a good story to advance their business interests.

2.3.1 Definitions

The vast majority of critical work on narrative is weighted towards the humanities, and in particular literary studies. As a result, extant narrative theory tends to be inward-looking and insular, with a predominant focus on literary fiction. For example, Mieke Bal states in *Narratology: Introduction to the Theory of Narrative* that the “corpus of narrative texts” regarded as “standard” includes “novels, novellas, short stories, fairy tales, newspaper articles, and more” (Bal, 2017: 4). Even though Bal concedes that this limited corpus establishes boundaries to the idea of what constitutes a narrative – boundaries that can be contested – she nevertheless does not offer much beyond these boundaries other than comic strips. In narrative discourse, literary critics often cite the French theorist Roland Barthes’s essay “Introduction to the Structural Analysis of Narratives” as a foundational work in this area. At face value, Barthes appears to have an outward-facing approach to narrative, claiming that:

“The narratives of the world are numberless. Narrative is first and foremost a prodigious variety of genres, themselves distributed amongst different substances – as though any material were fit to receive man’s stories”. (Barthes, 1977: 79).

He adds that narrative genres may be manifest in “articulated language” (either spoken or written), fixed or moving images, “gestures,” or a mix of these. Nevertheless, throughout the essay, Barthes teases out his theory on narrative by repeated references to Ian Fleming’s James Bond novel *Goldfinger*, thereby slanting the essay towards literature (albeit popular fiction here). A consequence of narrative theory’s bias towards literary fiction is that very little of it is applied to the world of business.

One broad working definition of narrative is that it is “a basic human strategy for coming to terms with time, process, and change” (Herman, 2007). The reasoning behind this approach is that people require narratives to cope with the constant flux of daily life, to make sense of what is occurring around them and to work out how to navigate within that. The notion of narrative being an intellectual tool with which to make sense of the world is what Herman refers to as the “cognitive structure” of narrative. In other words, narratives by their nature are both textual and cognitive, they are both resources for communication and structures of the mind (Herman, 2009: 7-8). In a business environment, the correlation between creating a narrative and developing a corporate strategy to move forward in time, devising a process, and deal with change is crucial to setting a practical framework for understanding narrative. Another useful working definition is that: “Narrative is somebody telling somebody else, on some occasion, and for some purposes, that something happened to someone or something” (Phelan et al., 2012: 3). The emphasis here is that the narrator has a purpose in telling their story, which involves an act on another person or thing.

It is also important to draw a distinction between the three principal components of the overarching category of “narrative,” which are narration, story and plot (Porter Abbott, 2007). Although interconnected, these components are discrete and influence one another as a narrative is formed. A story generally consists of characters (or, more broadly, entities) and action (an event or events), and often proceeds forward in time. Starting from Aristotle, a story is typically considered as having a beginning, a middle and an end – indeed, this tripartite structure is often invoked in business discourse. A story, however, exists separately from its narration. For example, a story can be told in different ways by different narrators, which in turn provides different perspectives and attitudes in regard to the story. This distinction between story and narration is significant when thinking about narrative in business, as the narrator of a story will have their own motives and aims. Finally, just as a story can be narrated in different ways, so too a story can be plotted in different ways. While the conventional chronological order of a plot is to move forward in time, a plot may also move backward in time, or be fractured by focusing on a particular event or events, or repeatedly returning to central episodes.

Purpose and clarity are two of the most important factors for narrative in a business setting. “Don’t make it so hard for people to discern your narrative. Communicate a clear and consistent story, and offer data points over time that demonstrate progress toward your vision,” advises Steve Girsky, a former vice-chairman of General Motors and Wall Street analyst (Girsky, 2014: 36). More than two decades ago, 3M proclaimed that stories were “central to our identity” and “a habit of mind.” “Stories give us ways to form ideas about winning” (Shaw et al. 1998: 41–50). The American conglomerate’s approach to narrative is instructive. Crucially, 3M’s “story-intensive culture” emphasises “strategic narratives” that are fundamental to the company’s planning process, structured in such a way as to clarify thinking and “to capture the imagination and the excitement of the people” within 3M. Like Jeff Bezos and Amazon, 3M eschews bullet lists, arguing that they “encourage us to be intellectually lazy,” and instead insist on well-developed narratives that are similar to traditional storytelling. Strategic planners need to: first, set the stage by defining the current business situation in an insightful, coherent manner (industry economics, 3M’s advantages and objectives, competitors); second, introduce the dramatic conflict (challenges, obstacles); and third, bring the story to a resolution (how to win). Above all, strategic planners must shape a narrative for their intended audience.

Knowing your audience – who they are, what they want, how they feel – is frequently listed as a key factor in business narratives. After all, a key aim of a narrative is to persuade. Much business discourse in recent years emphasises the need for the narrator to use emotion as the ultimate motivator for the audience. “Here is the challenge for the business storyteller: He must enter the hearts of his listeners, where their emotions live, even as the information he seeks to convey rents space in their brains,” says the Hollywood producer and businessman Peter Guber.

“Our minds are relatively open, but we guard our hearts with zeal, knowing their power to move us” (Guber, 2007: 56).

It is stories that people remember, not bullet points, and often not facts. Moreover, the economist and Nobel laureate Robert Shiller identifies narratives and emotion as integral to how the economy operates. “The economy is composed of conscious living people, who view their actions in light of stories with emotions and ideas attached,” he writes in his ground-breaking book, *Narrative Economics* (Shiller, 2019: 12). Shiller coins the term narrative economics to argue that popular narratives which go viral can affect economic trends and economic events over time.

Another aspect of narrative to highlight in a business context is **credibility**. Credibility, argue Kay and King, “is the consistency of the narrative with real or imagined human experience.” In other words, a business narrative must ring true with its target audience. In addition, for a narrative to be credible, it must be coherent, in that the narrative’s components are internally consistent (Kay and King, 2020: 217-8).

This study aims to fill a gap in scholarship on narrative theory and scholarship on business. As described, literature on narrative in business is scant, often unsystematic, and under-theorised with limited definition or detailed discussion over how narrative actually functions. However, given the apparent increasing centrality of the use of narrative in business contexts and the broad range of activities narrative covers, studying narrative itself provides a useful starting point for this project for developing a meaningful framework for thinking about business, contextualised skills that are actually valued in the business world by business leaders, and the potential relationship between business and the arts and humanities.

2.4 Methodology

As described above, the project has been structured around three key research questions:

How is narrative conceptualised and how does it function in business?

How are narrative skills understood, deployed and valued in business?

What are business leaders’ perspectives on the current provision of skills linked with business narrative?

These were addressed through a qualitative study of the views of business leaders, primarily CEOs and Chairs from a range of FTSE100 companies. Data were collected through semi-structured interviews with these participants that typically lasted an hour. Following a review of the literature on narrative in business, a semi-structured interview schedule was developed focusing on the key issues of:

Conceptualisations and functions of narrative in business

Mechanisms of narrative delivery

Conceptualisations of a successful narrative

Skills associated with narrative

Supply of skills associated with narrative

Future skills needs

The semi-structured interview format was deliberately chosen as affording the flexibility for following up on topics raised by the participants while providing a structure that enabled meaningful comparison of the interview data across participants.

Given how little and disconnected the research that has been undertaken on the concept of narrative in business is, a key aim of this project was to ensure that the interviews captured business leaders’ own views and understanding of the term. Consequently, we deliberately avoided providing a detailed definition of narrative when recruiting participants or during the interviews. Instead, we adopted a broad and simple working definition – ‘the communication of a business activity or idea’ – developed through analysis of the relevant literature. This enabled the participants to think critically about the concept, without imposing any external definitions.

All the interviews were conducted between September and December 2020, almost all of them with two members of the research team to ensure rigour and consistency. As the fieldwork took place during the COVID-19 pandemic, all interviews were conducted online through video calls on MS Teams.

2.4.1 Participants

Participants were selected purposively as business leaders, primarily CEOs and Chairs, of large business organisations. These were almost entirely FTSE100 businesses, although, given the fluctuations in the market during COVID-19, several moved in and out of the FTSE100 during fieldwork. The participants were selected to represent the range of industries that comprise the FTSE100 as defined by the Industry Classification Benchmark (ICB). See Appendix 3 for a detailed breakdown of the different businesses and industries in FTSE100. We analysed the industry make-up of the FTSE100 and selected an initial list of potential participants to represent an appropriate range of industries. Many of the participants represent a range of industries, either due to the diversified nature of the companies that they currently represented, and / or their own diversified careers. However, we were also very conscious of ensuring a diverse range of voices in the project. Female and BAME voices are not well represented in leadership positions in business, an issue acknowledged in the business world and a current focus of CBI and government itself (see Appendix 3 for a detailed discussion of this issue). Therefore, we deliberately ensured that we included a broadly representative number of female and BAME business leaders in our sample to the best of our ability in the circumstances.

In order to access these participants, we relied primarily on the contacts of certain members of the high-profile advisory group that had been established for this project (see Appendix 1 for the complete list of advisory group members). Several members are business leaders in their own right and they provided introductions to the majority of our participants. We contacted a small number of potential participants directly where members of the advisory group did not have contacts. Based on our analysis of the potential target organisations and the industry makeup of FTSE100, we invited 45 individuals to participate in the project: 34 agreed to participate (including seven women and four BAME individuals), comprising 14 CEOs, 14 Chairs, and 6 executives or members of the board. The breakdown of industries and the number of participants in each is detailed in Table 1. The business leaders participated in the project on condition that the information they provided would be confidential and any quotes we used would be anonymised, but agreed to have their names listed as interviewees (see Appendix 2 for the complete list of participants).

Table 1:

Industry (ICB Classification)	Number of Participants
Accountancy, Consultancy and Law	6
Aerospace and Defence	2
Design	1
Education	2
Financials	4
Food and Drink	3
Gas, Water and Utilities	2
Housing and Construction	1
Household Goods	1
Media and Online	8
Mining	1
Personal Goods	1
Retailers	1
Software and Computer Services	1

On our estimates, more than 40% of the participants were educated at either Oxford or Cambridge universities, with the vast majority of the remainder studying degrees at other universities around the UK. Only a small number attended universities outside the UK, specifically in the US, India, Europe (INSEAD) and Nigeria. In addition, roughly a quarter of participants studied arts and humanities degrees. The degrees among the rest were mostly focused around economics, business studies, law, maths, engineering and physics. In other words, the HE background across participants as a whole has a weighting towards Oxbridge and the non-arts and humanities disciplines.

The interviews were securely recorded and confidentially transcribed. The transcripts were analysed holistically through an iterative process of reduction, synthesis, and conclusion drawing (Miles, Huberman & Sadana, 2014), using a combination of deductive coding (with codes derived from the literature review) and inductive coding (with codes emerging directly from the data). Coding was undertaken in NVivo 12 and, to ensure analytical rigour, all three members of the research team analysed all the transcripts separately, regularly meeting to collaboratively build a shared coding frame and to ensure inter-rater reliability.

As highlighted on the previous page, accessing these kinds of business leaders in the numbers achieved for this project is unprecedented and provided the opportunity to drill down into the things these key figures in the business world think are important to business success and the skills that they actually value in practice.

2.4.2 Ethics

All the work was conducted in accordance with the British Association of Educational Researchers' Ethical Framework (BERA, 2018) and was approved by Oxford's Central University Ethical Committee before fieldwork commenced. Given their public profiles and the commercial interests of the companies they represent, the business leaders only agreed to participate in the project on condition that the information they provided was kept confidential, only accessed by the research team, and that any quotes used in this report and subsequent publications were fully anonymised. Much of the information discussed in the interviews was both personally and commercially sensitive and almost all of the participants reiterated the need for confidentiality and anonymity several times throughout the conversations and in subsequent communications. We have consequently been diligent in following all ethical protocols.

Therefore, when presenting the findings, we have been deliberately cautious and have avoided including any quotations that include personal or commercial information or anything that might link the quotation directly to an individual. This means that the majority of the quotations have simply been attributed to a role (e.g., CEO). However, we and the participants felt that the report would benefit from the transparency of including their names as interviewees as an appendix (Appendix 2), which we have done, as it highlights the range of views included in the project and the nature of the participants, and inherently builds credibility.

3. WHAT IS NARRATIVE IN BUSINESS?



3.1 How Narrative Works

Having identified the growing prominence of the concept of narrative within business discourse, a key focus of this project was understanding how the business leaders understood and used the term. As indicated in the introduction, we deliberately employed a broad working definition of narrative ('the communication of a business activity or idea') when conducting the interviews to prevent imposing any preconceived notions on the participants. Throughout the interviews, the business leaders used a variety of synonyms for narrative including story, strategy, and communication. However, while all the participants were familiar with the idea of a business narrative and almost unanimously agreed that narrative is critical in business contexts, only a small minority offered their own explicit definition of the term. Instead, the majority of participants described how business narratives are used across a very wide range of contexts and activities, with a wide range of functions. One participant effectively summarised the pervasive nature of narrative:

You can talk about narrative at the top end, strategic narrative: What's the story of the company? Where are we going? You can talk about a financial narrative: What's the financial case? You can talk about your technology narrative ... Narrative is ... the ability to tell your story or your direction... Most things can be defined as a narrative. Giving feedback to someone? Would you call that a narrative or not? I personally would ... Narrative or communication just pervades everything. (Chair)

One of the most important points that resonated across all the interviews was that the participants often felt uncomfortable using the term narrative as a noun. Narrative was consistently viewed as existing in action and activity. As such, participants rarely described the concept of narrative in reified terms or talked about 'narrative' as an object existing outside of business activity. Instead, they provided rich and detailed descriptions of the variety of ways in which narrative functions. Therefore, in order to understand what narrative means in business, it is essential to present the ways in which business leaders see narrative working.

The different functions of narrative, highlighted by the business leaders, can be divided up into three main interconnected categories:

Communicating Business Purpose and Values

Persuading through Story (ideas, products, decisions)

Driving and Managing Change

These core functions are complex, overlapping and comprise multiple sub-functions. These are all covered in further detail in the following sections.

“
Narrative or
communication
just pervades
everything.”

FTSE100 Chair

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3.1.1 Communicating Business Purpose and Values

Strategic Purpose

Across all sectors, the main and most important way in which business leaders described narrative as functioning was as a means of articulating and communicating their organisations' strategic purpose, or, as one participant called it, the 'grand narrative'. While, the purpose may vary widely from intangible ideals like the promotion of corporate values, business-to-business service provision, and improving society to tangible objectives like selling consumer goods, narrative was consistently emphasised as the way in which organisations developed and communicated their strategic aims, goals, and mission effectively. As one participant put it, 'your narrative is an authentic and engaging expression of your purpose'. Participants emphasised that a grand narrative should not be an impersonal articulation of what the organisation does, it must be engaging and exciting to enthuse and motivate the audience to 'get behind' the strategic vision:

In a large, [in fact] any, organisation even start-ups... you need to communicate that kind of vision, the passion, the mission, the cause, the purpose. Those are all the things that people have to know to be able to get behind it. (CEO)

As a chief executive... you set the strategy. Well, that's a narrative... it's about getting people bought into a clear vision of what the future might look like, and creating a path or a journey to get there, that's all narrative. (CEO)

However, business leaders described the articulation and communication of their corporate purpose in nuanced terms, emphasising that it must be tailored to a wide range of different audiences. Broadly, these includes internal audiences and external audiences, including customers, shareholders and investors, service and goods providers, competitors, regulators, policy makers, and wider stakeholders including society in general terms (see below for full description of the different audiences). Participants were clear that, when thinking about internal audiences, a strong narrative is essential for ensuring all employees understand the core strategic purpose of the organisation and for motivating the workforce in order to ensure people feel they are doing meaningful work, maximising productivity, as a participant stated:

People like to work for a business with a sense of purpose... people don't just get out of bed to maximise shareholder value... people get out of bed because they have to go to work, of course, but they would get out of bed much more willingly and much more happily if they know they're going to be... doing something that they believe in (Chair).

As such, business leaders were very clear that they felt it was essential for staff to feel that they had a sense of purpose in their work and this must flow directly from a company's central business narrative about its core purpose. This was seen as providing motivation for employees by ensuring a sense of collective endeavour:

If you have a greater level of shared collective understanding in a greater level of shared common purpose, that's better for human endeavour. (Chair).

One participant very clearly expressed the importance of this sense of collective purpose for running a large organisation:

A strong purpose makes you look upwards, makes you dream, makes you think that you can be a part of it. It's almost like the cleaner at NASA putting the man on the moon, "What's your job?" You know, that old story [about] the guy who walks into the cleaner, "What's your job?" He goes, "I'm putting a man on the moon".

“
As a chief executive... you set the strategy... getting people bought into a clear vision of what the future might look like and creating a path or a journey to get there, that's all narrative.

FTSE100 CEO

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It's that centralised thing that pulls everybody together, that everybody feels that the job that they're doing can contribute in some small way to the bigger desire, the bigger effort. So, I think that's an incredibly important part of storytelling. (CEO).

This sense of collective purpose was seen by interviewees as a key way of establishing a corporate culture for the workforce of an organisation, with a strategic narrative providing a key mechanism for establishing effective work-based cultures or inducting new members of staff into them. However, as the CEO of a multinational company remarked, the culture of most businesses is 'not monolithic.' Rather, he argued, 'most people in organisations experience the culture of that organisation from the behaviour of their direct line boss.' He added: 'There are pockets of culture everywhere. And they are built around a narrative of how we do things within that group.' As such he described how CEOs must ultimately rely on their local line managers to ensure that corporate narratives are understood in the company's local markets and that local managers are often given autonomy to establish their own corporate cultures and shape their narratives accordingly.

As such, while many participants emphasised that narrative formulation and the establishment of a clear corporate strategy resided with the leadership and executives of a company, they also highlighted the importance of cascading narrative down through the organisation and empowering individuals, particularly those in managerial positions at different levels, to engage with the narrative and tailor it appropriately to their specific audiences. For example, after emphasising the critical role CEOs have in narrative construction, one participant also highlighted how similar 'narrative skills' are needed throughout the organisation:

If you're not the CEO and you're a divisional manager you have to be able to tell that story and you need to be able to put your own spin on that story as well to make it true and make it authentic for yourself. So it's not just a skill that is needed at the top of the company, it's a skill that is needed from a managerial perspective. (CEO)

Values-Driven Narratives

Several participants argued that a key part of a company's purpose is the embedding of meaningful corporate values within the narrative. This was seen as a reflection of what one interviewee termed as a 'massive transition' in the business world over the last two decades where employees increasingly demand that the company they work for and its brand embody socially meaningful values. As such, almost all participants explicitly referred to the increasing emphasis on Environmental, Social, and Governance (ESG) as a critical component of their companies' overall mission statement and the importance of embedding ESG into a narrative of purpose. This, in turn, many argued was a reflection of the shifting economic discourse from a focus on maximising profit for shareholders to an increasing focus on benefiting a wider range of stakeholders (including wider society):

The societal expectations of what business is responsible for are expanding more and more... business is under colossal pressure at the moment to adapt the way in which it thinks about its purpose and its responsibilities more generally in society (Chair)

The membrane between society and business is much more porous now and so narratives must flow in and out of business contexts and take into account and engage with wider society. (CEO)

“
Business is trying to ... grapple with the complexity of multiple stakeholder requirements and ever increasing expectations ... the only way you can navigate your way through these really complex issues is by having a ...storyline that talks about what it is that we're trying to achieve and sets that out.
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FTSE100 Chair

Many participants commented that businesses must embed meaningful corporate values in their narratives by explicitly engaging with a wide range of social, political and economic issues:

We have a lot of logical consistent messages which support what we do to respond to big things – the aging demographic, to climate change, to homogenisation of asset management, welfare reform, technology – and those become strategic and then the business runs off that and has one set of values, one set of behaviours, one set of beliefs. (CEO)

A CEO today has to develop a positioning and a purpose. And we're seeing more and more that the investor relations in particular are interested in that story and are going to hold companies more and more accountable to what they do about societal issues, how they are on diversity, how they are on sustainability, climate change, wage gaps, things like that. And so, if you don't have the ability to bring all that together and tell a story then you are not going to be successful as a leader. (CEO)

As emphasised by almost all the business leaders we interviewed, the modern company must act as an environmental steward, enhance diversity, promote equity, fairness and justice, and ensure employee wellbeing and business narratives must incorporate and reflect these critical values. However, several business leaders argued that business narratives about purpose should not simply reflect values, the narratives should be driven by values and the increasingly complex relationship with society. As such, business narratives should be part of a company having a real and meaningful impact on society:

I think, in a multi-stakeholder view of capitalism, of public companies, and particularly as it relates to ESG, which has now got far more attention, your cut-through on understanding the various stakeholders – what are their hot-button issues, what are we trying to communicate in terms of what the company stands for, making sure the message gets across – is really important... You've got more stakeholders, there are more complex messages that need to get communicated; and again, how you get cut-through, I think, is very important, and that's where I'd say the skills for narrative, I think, become really important. (CEO)

Managing Complexity

The business leaders emphasised the complexity and uncertainty of all of these issues ('it's vague... you can't just deal in facts') and the fact that many of the issues businesses must now engage with are often controversial and divisive. An expanding range of stakeholders, including different global communities, inevitably brings different agendas and a diversity of views. Business leaders, therefore, emphasised how important it is to have a strong narrative to hold together these complex and uncertain discourses, present and instil company values across a wide range of issues, model corporate responsibility, and engage in a meaningful way with multiple stakeholders. In other words, several participants emphasised that, in an increasingly complex world, a strong business narrative provides a way of navigating that complexity. As one chair put it:

Business is trying to ... grapple with the complexity of multiple stakeholder requirements and ever increasing expectations ... the only way you can navigate your way through these really complex issues is by having a ... storyline that talks about what it is that we're trying to achieve and sets that out.'

Several participants particularly highlighted that even companies' employees should not be considered as a homogenous group; rather they represent an ever increasing diversity of views that must be navigated within an increasingly stakeholder-oriented business context. This includes ethnic, cultural and even inter-generational diversity:

We operate in 45 countries... that's multiple cultures, multiple languages, multiple religions, multiple ethnicities... you have a whole series of perspectives being brought to bear on any given situation. (Chair)

If you get deeper into the organisation... you've got millennials and the even younger generation coming through who have very different ideas and motivations about what they think business should stand for and what they are look for from their employer. (Chair)

Business leaders therefore emphasised the way in which the rapidly changing nature of business, partially accelerated by COVID-19, and an increasing focus on engaging with and benefiting a diverse range of stakeholders, places companies in a discursive space marked by tensions and challenges. A strong purpose-based, values driven narrative functions as the means of holding together this diverse range of internal and external needs and perspectives, acting across cultures and space. However, perhaps most importantly, narrative also functions as a framework for all the stakeholders, including business leaders, to make sense of complexity, uncertainty, and a shifting landscape of issues and place themselves within it. As such narrative acts as an 'agent of simplification', as aptly put by one of our interviewees.

Creating Meaning, Belonging, and Identity in a Fractured World

Several participants took the idea of values-driven narratives a step further and highlighted the importance of the role that purpose-related business narratives can play in creating a sense of meaning and belonging for individuals, particularly those in a company's workforce, but also across a wider range of stakeholders and society at large. Several participants highlighted that the world in which we live has become increasingly fractured. People have multiple identities, cutting across their personal and professional lives. This can be heightened by similar segmentations within the business world. Multinational companies can also be seen as 'fractured', particularly as in the case of some organisations, when they include multiple brands, income streams, agendas and stakeholders across a wide range of international contexts. This issue was often seen as being linked with the fragmentation of society through technological change, particularly the dominance of social media, and exacerbated by the COVID-19 crisis.

However, a coherent business narrative was seen by many business leaders as critical in providing a sense of meaning, belonging and identity in this increasingly fractured world. A Chair expressed this very clearly:

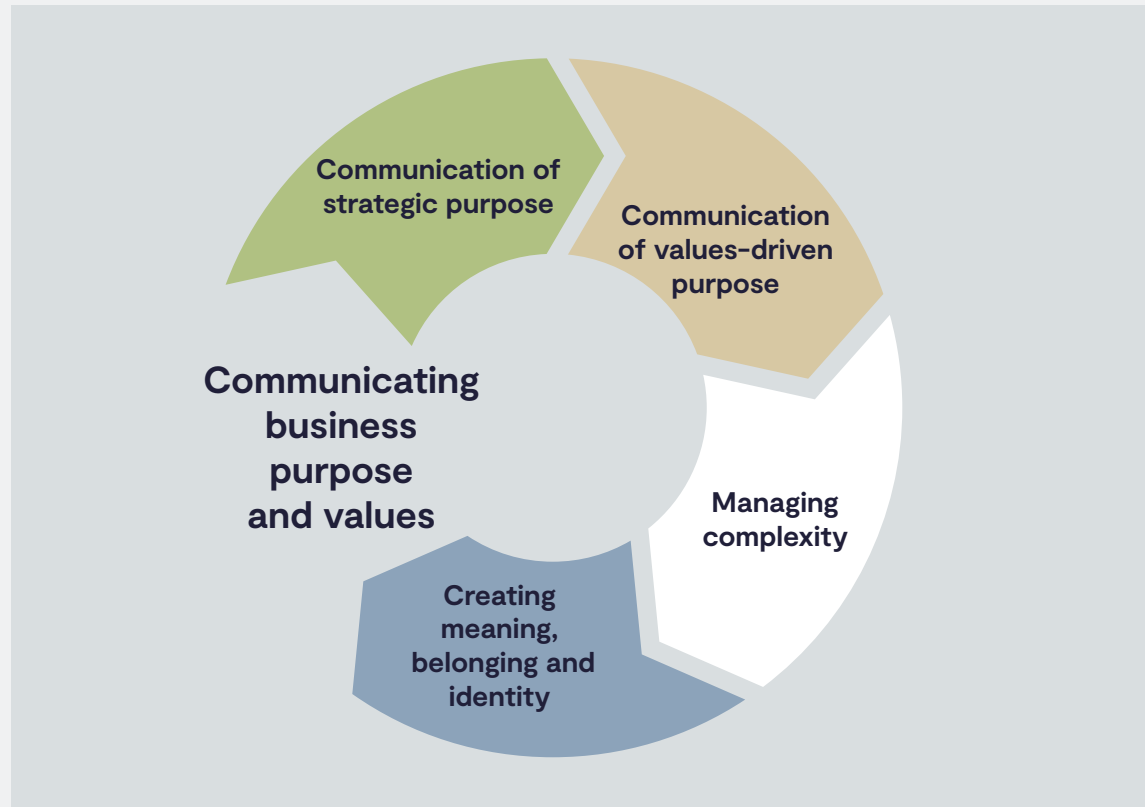
In the world we live in now, which is multilateral and inter-connected, and it's about value and symbolism and content, you need to have a much more subtle operating philosophy ... narrative becomes more and more important ... One of the challenges in our culture is how do you make people feel comfortable in having multiple senses of identity? Narrative can really help on that because it creates a space for people to feel comfortable with the various different parts of their professional personality... [and] our own individual human personalities which come in multiple parts. (Chair)

As such, one CEO was particularly keen to emphasise that, in their view, creating meaning through narrative was not just a means of communicating the purpose of a company down through the hierarchies of the organisation. Narratives are not simply passive purveyors of purpose, they create purpose. They provide both a business and its employees across all levels of the organisation with meaning, driving and creating purpose:

Narrative is essential because you've got to feel as though we're in it together, that we're doing something that's got a greater purpose. So I think narrative creates purpose. (CEO)

“ I think narrative creates purpose. ”
FTSE100 CEO

Figure 1: Narrative as a tool for communicating business purpose and values



3.1.2 Persuading through Story

Beyond the idea of narrative as an expression of the purpose and values of a business, all the participants also discussed a wider range of contexts in which narrative is used in their organisations and more broadly in the business world. As highlighted in the initial quote at the beginning of this chapter, narrative was thought in broad terms as pervading all aspects of communication across a wide range of internal and external audiences and stakeholders, from presenting a financial argument to convincing an investor to put money into the business or a customer to purchase a product. Although clearly covering a wide range of activities, narrative, functioning across these contexts, shares the same purpose of trying to persuade an audience to do something – buy into an idea, buy a product, or change a behaviour. Perhaps unsurprisingly, given the fact that our interviewees were business leaders, many phrased this use of narrative using the language of ‘selling’. Almost all participants argued that, if someone is to ‘buy’ whatever it is you or the business is selling, they need to make an intentional decision to buy the product, to adopt an idea, or change their behaviour. That decision-making process is rarely rationale, as one participant put it, ‘it involves emotion and personalisation’. As such, participants argued that the storied nature of narrative is critical in persuading the audience.

“ I think that stories are things that are much more persuasive for people.

FTSE100 CEO

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One participant expressed this clearly:

When you are trying to sell people something – and I mean literally sell anything or literally sell someone an idea – most typically, ideas are sold through stories, not through a piece of PowerPoint with the logic beautifully presented, not least because most decisions are actually quite emotional and quite political, and I mean political with a very small ‘p’... I was taught long ago that 20% was logic and 80% was emotional/political. And the way you persuade people is to say something which is emotional, and narrative tends to be emotional, where statistics and equation are not terribly emotional. So narrative is deeply important. (CEO)

Another participant clearly emphasised the persuasive nature of narratives and stories:

Good stories are things that are engaging, that you can relate to, that may surprise people, that elicit an emotion, that are interesting... I think that stories are things that are much more persuasive for people. (CEO)

As will be discussed below in the section on ‘what makes a successful narrative’, participants were very clear that it was critical to distinguish business narrative from ‘spin’ and ensure that any story that is told contains truth and valid facts and figures. However, the majority argued that it is not the facts and figures that lead to a decision being made or behavioural change, it is the emotional content of the narrative that roots the decision-making process in human feelings and relationships. One participant provided a detailed hypothetical example of how this kind of use of narrative plays out in business-client relationships:

A client wanders up to us and goes, “Okay, you are talking to me about, you’re going to help me implement a new supply chain,” – which, you know, is about the sort of most engineering thing you can talk about – and they’re trying to pick between us and another provider who can help them with implementing their supply chain. And the question that they always ask – and it will come across in various guises – but the question they will always ask is, “How is it going to feel?” And if your response is, “We have a method and we do A followed by B followed by C followed by...” That never helps them. I mean, it lets them know you have a method, but actually, it doesn’t really get to the crux of what they’re asking, which is genuinely, “How does it feel?” The person who is able to go...well, “When we did it with this client, actually, this is what was going on,” and this is what happened in the room, and you know, we had posters on the wall with yellow stickies, and you got folks engaged with yellow stickies, “Actually, this particularly went wrong because, you know, this particular client, because this group of people did...” What you’re talking about is a story, I mean, what you’re talking about is your experience from the last project, but you’re doing it in a way where the experience comes across as real life, as people, and that allows the client to really engage in what you just described, and it brings your method to life. (CEO)

At the same time, the nature of narratives, particularly well-formed narratives, was highlighted by several participants as providing a way of getting to the heart of the matter and convincing an audience quickly. In high pressure contexts a narrative is always competing for the attention of the audience (be it stakeholders, employees, or customers) and so several participants highlighted the importance of capturing the audience’s attention with a compelling narrative in a way that pure facts or figures might not:

As you look at who you’re convincing, or taking your story to, or taking your decision to – whether it’s a board of directors, or explaining to your investors, or to governments that you’re operating in – the narrative becomes critical, because... these are complex issues, and I think telling a simple, compelling story that addresses them, where you put yourself in the shoes of the regulator or the shareholder or the

“ In today’s world of information overload, I think it becomes even more critical for the narrative that it stands out, it’s compelling, it gets the attention of the audience

FTSE100 CEO

”

“ Coming up with a well-constructed narrative you know drives much more clarity of thinking.

FTSE100 CEO

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government involved... or, indeed, within a business, if you’re selling a project or an idea up the chain, I’d say that narrative is critical... people have short windows in which to form judgements, make decisions. You don’t have the luxury of being able to take your audience with you in a long, thorough way; and so, if you’ve just got one opportunity to convince a particular audience on a recommendation that you’re proposing, or the story you’re telling, I think how you tell the story is critical. In today’s world of information overload, I think it becomes even more critical for the narrative that it stands out, it’s compelling, it gets the attention of the audience; and I do think it’s gone up in importance because of just the sheer overload of information that’s hitting people these days. (CEO)

The majority of participants discussed the persuasive use of narrative in the decision-making process in terms of fairly big decisions, usually in relation to external audiences (customers, clients, other businesses, regulators, policy makers, and even wider stakeholders). However, a small number of business leaders highlighted that narrative can also be an important part of the everyday decision-making process at meso and micro levels within a company. One participant described this clearly, emphasising the value of carefully crafted written narratives for making internal decisions:

If you think of an organisation as a decision-making machine and a large organisation, any large corporate, takes literally billions of decisions every single day and those decisions range from small, simple stuff ... “Should we launch this new product? What are we going to do? Where do we invest? Do we close a business? Do we open a business? Do we hire an individual?” and whatever, so there’s lots of different decisions we’re making and it’s sometimes helpful to think of an organisation as a decision-making machine ... Actually what we found is that if you’re therefore going to gather what’s a very expensive resource which is a lot of people in a situation to spend a bit of time together, to try and reach a decision on a difficult area, what’s the most effective way of doing it? And that takes you right to the heart of the ... narrative ... we actually think putting the effort in to coming up with a well-constructed narrative you know drives much more clarity of thinking ... a brilliant document will take you right to the heart of the issues. All the information you need will kind of be there, it’ll be well structured and you can say, “Bingo! Right, these are the bits where the team will thrash it about”. (CEO)

3.1.3 Driving and Managing Change

As highlighted above, narrative was rarely discussed in static terms; it was seen as being fluid and dynamic, with one Chair describing it as ‘a living thing’. As such, narrative was seen as being inherently linked with change. However, participants discussed the relationship between narrative and change in a variety of different ways. Beyond the change embedded in strategic narratives and the decision-making changes of persuasive narratives, several participants particularly highlighted the power of narrative to ‘drive change’ and to ‘manage change’.

One frequently expressed idea was that narrative is an essential tool to shift perceptions about a company, aspects of a company’s business, or even definitions of core business terms if those perceptions have become outdated or ossified. As such narrative was seen as vital in driving changes in both external and internal perceptions and corporate cultures. As one interviewee put it:

To change what we know about the world is very difficult. Narrative is a really important piece of that. It’s only when you go through a long story and go right back to first principles that you can take people on the journey to understand why you’d want to change it.

“
I think you
can drive
change
through
narrative.
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FTSE100 CEO

Several participants particularly emphasised this ‘journeyed’ aspect of narrative as a way of identifying issues with existing business practices, structures or ideas and bringing people along towards a shared vision for change. As such, narrative was seen by the majority of the business leaders as not merely a mechanism for describing change, but as a critical tool for driving change. Creating a strong narrative that provides a new clear vision for the future of the company as well as the ‘story’ behind its necessity was seen by some participants as the only means of achieving real organisational change.

I think you can drive change through narrative... you can't just stand up and communicate ‘we're going to change’ and expect everyone to do it ... it's a process of kind of narrating and showing other people's stories and actually sometimes unsuccessful stories, so mistakes ... then when you communicate why we're going to change, it becomes much easier. So it can drive change, and I think it should be used to drive change ... people ... want to be taken with you. And the only way to take people with you is to have the patience to tell, to explain. And I think explaining is narrative. (CEO)

In fact, a small number of participants took this one step further and argued that all narratives in business related to purpose should be narratives of change. All businesses require improvements and it is the leader's job to ensure that a company constantly moves forward. Narrative was therefore viewed as an, if not the most, important agent of change. A CEO provided a nuanced discussion of this, suggesting that business leaders must constantly be modifying their business narrative as part of an ongoing process, working with pre-existing corporate narratives and reshaping them to become vehicles for driving change (be that operational, cultural etc.) across the organisation. As such, they argued that ‘narrative creation is rare ... we normally talk in terms of narrative modification’.

The idea of modification of narratives was particularly highlighted in relation to external changes – particularly technological but also cultural, social, political, medical, and economic. Several participants described these in terms of ‘external forces’ or ‘external narratives’ arguing that it is the role of the leadership team, and ultimately the CEO, to navigate these external narratives effectively and re-make or modify their organisations’ narrative in light of a changing external landscape. For example, one CEO emphasised the importance of technology as a driving force and the need for a strong narrative to communicate organisational responses:

In virtually every sector, in virtually every business, because technology has insured that everything is changing regardless of Covid or Brexit, or whatever the current crisis is ... Technology is moving at such a pace that all businesses are having to respond, so CEOs are having to respond to those changes and are having to communicate why the organisation has to be slightly ahead of the change. (CEO)

Given that the interviews were conducted during COVID-19, the pandemic was often used as an example of a crisis that led to significant changes to the economy and everyday life and the power of having a strong narrative to manage these changes. A CEO outlined the importance of narrative in these kinds of challenging times:

Communicating with everybody in the organisation about the steps we were taking during a crisis ... it needs to be laid out relatively simply but actually as a story that shows: this is what I think we're doing; these are the things that could happen; these are the good things that have been happening; therefore, this is what I think we need to do and these are the steps we're taking. [This is] laid out as a narrative in a relatively simple and hopefully a way that gets people on-board. (CEO)

As such, narrative was viewed by the majority of the participants as a means of driving internal change within an organisation (as well as external perceptions), as part of an ongoing process, as well as a means of navigating external change and re-envisioning a company's purpose and strategy in the face of external narratives and a febrile social, political, and economic landscape.

As has been demonstrated in this section, the way narratives work in business is extremely complex, and it served inter-connected functions for a business across the three key areas of communicating purpose and values, persuading through story, and driving and managing change. As described above, these different functions of business narrative are closely linked to the wide range of audiences businesses engage with. The next section, therefore, provides greater detail on these different audiences and the ways in which different functions intersect with different audiences.

3.2 Narrative Audiences

As is clear from the discussion above, the unanimous feedback among interviewees was that businesses deploy narrative to a wide range of often vastly different audiences. One business leader summarised this diversity of audiences very clearly:

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You're not
going to
succeed if
you can't
persuade the
customer
to take your
product.”

FTSE100 CEO

Well, I think there's quite a lot of different audiences. So, if we start with funding the business. If you're starting a new business in whatever it may be, you need to persuade the equity holder, maybe it's the venture capitalist originally, and then later on, if you're a bigger company, the general investor of funds. You need to persuade [them] of why your business has got a competitive advantage, why the market it's in is going to do well, and why you're going to succeed. At the same time, you'll also want to adapt that narrative, but use a lot of it when you're talking to the banker. The banker is much more concerned about not losing [their] money than making interest; [their] not so interested in the upside. Obviously, the equity holder's really interested in the upside, and the banker's interested in just earning [their] return safely. So, you're using the same story but adapting it for those two different audiences. So that's one element, that's the outside financier of the business.

So the second thing is the customer; you're not going to succeed if you can't persuade the customer to take your product, whether it's a consumer good or a business-to-business type proposition, you need to think about exactly why the customer should take your product rather than another that's there, if it's a competitive market or if it's a new product in a different area, and you need to persuade them of the merits of that product and so on. So again, you need to shape the narrative, and that includes elements that you might have used with your equity investor, but you need to shape the narrative entirely associated with the motivations and interests of that customer, or your customers in general.

[You need to] adapt that as well when you're thinking about the consumer. There may be a wider community interest involved in this and you'll be thinking about your impact on the communities more generally. For example, let's say an environmental issue, the ability to develop people in the company to the advantage of the local town or wherever it happens to be ... there's so many different audiences... You've got the employee, I mean, absolutely crucial to be able to explain why they should want to come to the firm. Again, you'll be adapting the story a little bit. I mean, there'll always be a central core of truth which is the same, but you're adapting the message there. You'll have other stakeholders like your suppliers, the people who've got to stake some trust on you and actually assume you're going to be able to pay them for the goods they're giving you and the services they're giving you.

So, there's a need to create a story again on that. And these days, you know, naturally there's a wider range of general stakeholders in the community. There may be a need to talk to regulators if you're in a certain business, there may be a need to talk to politicians, national and local, or whatever it happens to be. So, in each case ... you'll have a central truth and understanding of your business, and you need to adapt the narrative appropriately ... to tell your story around the need for that group. (Chair)

This Chair clearly illustrates the wide range of audiences that all the participants discussed when thinking about narrative and the importance of tailoring the narrative to each audience. In general, the different audiences can be categorised into two distinct groups, **internal** and **external**. Participants described internal audiences as including employees, managers, executives, and board directors. However, many of the business leaders represented companies that hire tens of thousands of employees across numerous countries around the world, with some operating in more than 30 countries. As such, the business leaders did not discuss employees as a homogenised group, but as an aggregation of multiple diverse groups. The need to tailor narrative appropriately to the different subsections of the global workforce, often accounting for differences in culture, language and values, was emphasised. This transnational and transcultural aspect was particularly highlighted by business leaders as adding to the complexity of the formation and delivery of narrative, a task that requires individuals and, particularly business leaders, to have strong empathy skills and the ability to take the perspective of the audience (see 'Narrative Skills' below). This need to adapt and flexibly deploy narrative to local contexts further highlights the need for key individuals at different levels of the organisation to have narrative skills (as discussed in sections above). Yet even within a domestic, UK-focused large business, internal narratives were highlighted as needing to take into account significant diversity among staff, including age, gender, ethnicity, culture, language, religion, and life experience, among other things. As one participant emphasised:

In communicating the story, if you're talking about just straightforwardly to your employees or colleagues, okay, and I think you've got to be very conscious of the way you articulate it. And you may articulate it differently when you're standing on your feet in a large warehouse or a factory where people are, you know, are from relatively working class backgrounds, to the way you would with a bunch of, your young professionals in your head office maybe. So I think it's something you're just continually conscious of and you naturally can adapt the story effectively, adapt the narrative effectively, provided you're locked into that, you know, the truth at the core of your story. (Chair)

This issue of complexity and adaptability increases exponentially when deploying narratives to external audiences. The make-up of external audiences, of course, differs significantly depending on the type of business and the type of industry (or industries) that they operate within. In general, however, the main groups that constitute external audiences include customers, clients, suppliers, distributors, advertisers and marketers, investors, regulators, government departments, and politicians/ policy makers. Each of these groups have vastly different needs and expectations, which in turn requires different narratives or different formulations of the main business narrative in order to meet those needs and expectations. In light of the changing societal expectations of business and a growing emphasis on ESG policies, as outlined above, commercial entities in the twenty-first century must engage with all stakeholders across their communities, and not just investors who are focused on financial returns, as the convention used to be, meaning that the needs and agendas of the audience members are complex and often in tension with each other. As described above, while a well-crafted narrative can bring these audiences together and help the organisation to navigate and even overcome tensions and conflict inherent in engaging with complex audiences, the participants emphasised the fact that the starting point of any narrative must be 'knowing your audience'. As one Chair put it:

As you construct this narrative you are constructing it with a permanent consciousness of how will this be received. Will this be an effective narrative or will it land on stony ground? And it'll land on stony ground if you fail to anticipate the reaction, interest, emotions of your audience. (Chair)

As such, one of the most consistently repeated themes across all the interviews was the importance of audience in the construction and delivery of narrative. Almost all the participants explicitly emphasised that business narratives were rarely developed in 'ivory towers' and that narratives should not be considered in the abstract. Rather, business narratives were seen as active, living things, with the development of the narrative, its delivery, and engagement with the audience all viewed as integral parts of the same narrative process.

3.3 Mechanisms of Narrative Delivery

As illustrated above, participants discussed narrative as having a wide range of functions and engaging with a wide range of audiences. Perhaps unsurprisingly, many business leaders emphasised the importance of aligning the purpose of the narrative, the intended audience, and methods of delivery. Certain messages and certain audiences were particularly associated with certain mechanisms of delivery and communication tools. However, the majority of participants in our study emphasised the need for multiple, diverse, delivery mechanisms in order to reach the intended audience in different ways and with enough repetition to ensure 'the message lands':

They reckon you've got to tell somebody something seven times, don't they, in four different mediums, until it actually goes in. So, the first thing is you've got to obviously accept, as a chief exec, a good 20% of your time should be on communications. So, it's not that it's something where you write a quick email once a week, or do a quick video blog. It is a constant quest to take people on the journey ... So I try to use every form I've got. We have an ... internal [social media site] ... I [post] all the time on that, little bits and pieces, things that I'm thinking. I do a weekly video blog ... you know, a two-minute video of just three things that I'm thinking of that week. We do quite a cool funky little round-up every Friday of interesting stuff about the company – it's done in more like a newspaper style ... I use WhatsApp a lot – so I do dedicated videos to different teams on WhatsApp a lot ... I spend two days a week out and about across the organisation, because nothing makes up for face-to-face time ... There's no red carpet, there's no entourage ... I turn up at different sites and just spend a few hours at each site and just tootle off to the next one, and just hang out and chat, and visit people, and all that kind of stuff ... We do a couple of more formal set pieces, so we get our leaders together once a year ... Every month we have a centralised path that we've asked, and we craft, which is things that have gone brilliantly, things that aren't, and where are we on our three-year journey. So constantly counting down to where we were trying to get to next. So all of those and more, you know, every corporate machine known to mankind as well, like our website, intranet site etc. (CEO)

As illustrated above, narrative is associated with a wide range of evolving delivery mechanisms. Just as above, many participants provided rich lists detailing the variety of communication tools they associate with narrative in business. For example, another CEO provided the following list:

We try and get everybody to write stuff down and we use lots of different methods for communication: there's podcasting that we use internally, we use external speakers, we use different types of leadership events, different types of mass communication, different types of town halls for communicating and building the engagement on lots of different levels because what we're trying to do is create increased engagement with us as a firm, either from the people that work for us, our customers, our suppliers and, indeed, all of our stakeholders.

However, across the interviews there was general consensus over certain key delivery mechanisms, described in the following sections.

3.3.1 Written Narrative

For the majority of the participants, narrative in the written form was usually highlighted as the most important means of communicating with different audiences. The idea of a complete, crafted, written narrative underpinned the majority of the interviews.

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There’s
a lot of
power in
the written
word.
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FTSE100 CEO

I know I’m preaching to the choir but I think there’s a lot of power in the written word. (Chair)

I think you’ve got oral but you’ve also got written, and it was mainly written because we found actually that we could communicate probably better in that way. (CEO)

Across the interviews, participants emphasised the critical importance of writing as a key tool for communicating all kinds of business narratives, from narratives of purpose down to micro and meso-level narratives aimed and facilitating internal decision making. As one participant put it:

We never – almost never have a meeting without a document and those documents are not Power Point presentations, they are linear written narratives and there’s a sound reason for that which is we like, we actually think putting the effort in to coming up with a well-constructed linear narrative you know drives much more clarity of thinking ... You can actually use that linear written narrative form far more effectively than anything else we’ve found to really bring that out and we ask people to sit quietly and just read and get up to speed. (CEO)

3.3.2 Digital Delivery Mechanisms

In a working context increasingly characterised by digitalisation, accelerated by COVID-19, inevitably digital communications were discussed as one of the most important means of deploying narratives. A key concern among business leaders was that constant innovation and new or evolving products in digital communications mean that the activity of communicating narratives to different audiences and stakeholder groups is becoming increasingly complex. The long-ago days of primarily relying on a corporate website and email have been supplanted by ‘the daily grind’ of keeping on top of social media platforms, smartphone technology, and a relentlessly shape-shifting digital ecosystem. However, many participants also emphasised the important affordances that digital delivery mechanisms bring, both in terms of scale (reach and amount) and in terms of the personalisation digital technologies can bring.

With the fieldwork conducted during COVID-19, many participants were particularly focused on internal communications and engaging directly with their employees. Podcasts and digital townhalls were particularly emphasised as being essential mechanisms during the crisis for ensuring employees understood the overarching business narrative during COVID-19 and, most importantly, as one CEO emphasised, ‘had a clear sense of purpose’: ‘I was doing podcasts every week all the way though lockdown’.

The immediacy of these podcasts and townhall meetings and the way in which they made the business leaders and executive teams so available were seen as vital ways of engaging with employees during the crisis. However, they were also highlighted more broadly as key ways of engaging with a range of external audiences, particularly wider stakeholders. The immediacy and availability of the leadership team were viewed as a key part of communications in an increasingly stakeholder focused business context and a way of both delivering business narratives and co-constructing stakeholder-led narratives related to the purpose and values of the organisation – critical during COVID-19, but highlighted as key part of narrative delivery in more general terms.

3.3.3 Narrative as Performance

A key part of these narrative mechanisms, particularly those with a presentational element (podcasts, townhalls, keynote presentations etc), was what a number of business leaders referred to as ‘performance’. The idea of narrative as performance permeated the majority of our interviews with participants referring to this performative element of narrative in terms of the non-verbal cues, visual storytelling, and staging. While these aspects were referred to by a small number of participants in relation to the way images carry narrative on corporate websites, the way letters are laid out, or the way Chairs’ reports are presented, the majority of participants tended to discuss the non-verbal or non-written aspects of narrative in relation to spoken delivery, space and physical imagery. This is also reflected in the rapidly growing practice of using video performances distributed over digital platforms to communicate with internal and external audiences.

3.3.4 Transmission and Reception

As such, mechanisms of narrative delivery can be thought of as a multimodal, complex and overlapping range of written, verbal and non-verbal tools. These largely overlap with standard approaches to corporate communications. However, the strategic combination of such tools and the way in which they are deployed, make them essential both to the delivery and the construction of narrative. As such, rather than thinking of them as simple linear mechanisms to facilitate one-way dissemination or delivery of a particular message, conceptualising them through the language of evolving narrative captures the nuanced way in which the participants described narrative functioning in business contexts. This emphasises the two-way nature of mechanisms of narrative that enable those involved in them to think about both the transmission of the message and its reception in a nuanced way, as one participant was very keen to emphasise:

The exercise of telling a story is both an exercise in promulgating your idea and in getting somebody to listen and be influenced by it. There’s two separate elements, parts to the exercise. (Chair)

Many participants described this in terms of ‘feedback loops’ or ‘co-construction of narrative’, emphasising that the best mechanisms of delivery should also enable the ability to listen to and reflect on the audiences’ responses and develop and adapt (often collaboratively) the narrative accordingly. As described above, this conceptualisation of business narrative as a process and the circular, reflexive relationship between narrative construction, delivery and the audience was repeatedly emphasised across the interviews.

Where the sections above have focused on the purposes of narrative, who they are meant for, and what the mechanisms of delivery are, the next section will focus on what the business leaders actually believed constitutes a successful narrative.

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The exercise
of telling a
story is both
an exercise in
promulgating
your idea
and in getting
somebody to
listen and be
influenced
by it.

FTSE100 Chair

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3.4 What Constitutes a Successful Narrative

Key to understanding how narrative functions in business, is how business leaders conceptualised the hallmarks of success and throughout the interviews, almost all the participants took the opportunity to reflect on what makes a business narrative successful. In general, the success of a narrative was described very simply as ‘landing well’ or ‘doing what it was intended to do’, whether that involves persuading the audience to make a particularly decision or helping staff understand the purpose and values of the organisation. In other words, success was judged on narrative outcomes. However, more broadly, there was a huge amount of consensus on what helps a narrative to achieve its aims, which, through our analysis, enabled us to construct the following framework for understanding the construction and delivery of a successful business narrative. This consists of seven related aspects which participants viewed as essential; an effective business narrative must be:

Authentic, Truthful and Based in Facts

Emotional, Personal, and Resonant

Simple, Consistent and Coherent

Memorable

Aspirational and Actionable

Strategically Structured and Carefully Crafted

Targeted and Rooted in Audience Needs

Participants were very clear that a successful narrative must contain all or most of these elements and emphasised that narratives that failed usually did so because one or more of these aspects were missing or misunderstood. Therefore, in this section, although these elements overlap and are intertwined, we unpack them individually in more detail.

Figure 2: The key ingredients of a successful narrative



3.4.1 Authentic, Truthful and Based in Facts

The overwhelming consensus among interviewees was that the pre-eminent measure of a successful narrative in business is authenticity:

People respond to authenticity. In every walk of life. They trust you. If there's trust and they think you're being honest they respond to that very positively ... So you need authenticity. (Chair)

However, authenticity in this context relates to several different factors. Firstly, almost all the business leaders emphasised the importance of narrative being based in some kind of 'truth', often interpreted as including verifiable facts. The necessity of truth-based and fact-based narratives was a constant refrain, with one CEO, for example explicitly emphasising that 'Narrative can't replace fact'. Another participant expanded on this very clearly:

Some of the truth is literally just the data you've got in your own organisation... what the formula is by which you make your pharmaceutical product, your food product, your fish finger or whatever it happens to be. And you've got to base your story around the truth, if you like. Some of it is your best assessment of knowledge that may be gained from all sorts of research you're doing; that could be market research, it could be, you know, the information you've got about the environment, whatever it happens to be. So you're using that as a fact base, and it may not be so certain, but that that should, in a way, be reflected in the narrative you're using. (Chair)

Another participant also clearly emphasised the point that, while individuals might use the language of 'story' and 'story telling', a business narrative, at least a successful one, can never be fiction:

It's a fact-based message that you're trying to deliver, whether it's to sell a product, provide a service, [or] interact with someone on some level about what we do and how we do it. And, so it's a fact-based package that you're trying to present and share. And then the thing that varies is the terminology and the style that you adopt in the delivery of the fact-based message. (Chair)

Nearly all the interviewees spoke of authenticity and truth in business narratives, and often particularly reflected on the political events around the world and the COVID-19 pandemic in 2020. Many of them contrasted the desirability for fact-based narratives against political discourse that promotes 'fake news,' 'post-truth,' and 'alternative facts', suggesting that effective business narratives must reject the temptation to manipulate the truth if they are to be successful. One participant expressed the importance of

... making sure that people understand the difference between narrative and spin. You know quite a lot of the stuff I read, that's been written ... where people have said, "Look, here's a really good narrative to explain our position on X" or "our strategy in Y" and you read it and it's beautifully written but it isn't true. Not that people go in to deliberately lie but they, when people write narratives ... I think people go in thinking, "I've got to tell the story as I want it to be" and can lose sight of what it really is. So, one of the things I spent quite a lot of time doing ... is to make sure that the narrative is fact based. (Chair)

The second aspect of authenticity as expressed by the participants was that the values of a business and the narrative should be perfectly aligned. In many instances, as described above, narrative was seen as the vehicle for the values of the organisation, but participants emphasised that, if the narrative is to be authentic, the actions and behaviour of the business must properly reflect the values embedded in the narrative.

Thirdly, the narrative and embedded values should be reflected in the behaviour of all employees. To a certain extent, motivating staff to embody the values of the organisation was often described as the goal of certain narratives (see above). However, ‘walking the talk’ was seen as being absolutely critical in relation to CEOs and other managers. Almost all participants explicitly argued that, for a narrative to be authentic, the behaviour and conduct of the management team should correspond exactly with the narrative values, as one respondent commented:

Stories in business, you can use them, but at the end of the day, you can't be a big hypocrite ... In other words, [you have to] walk the talk ... backing up what we say with what we do, aligning your rhetoric with reality, is an important thing for people to do. And it's not easy.

The general feeling was that the world is now far more transparent than it has ever been due to digital communications and a shift in corporate culture and leadership style in the twenty-first century towards the personal and relatable rather than the impersonal and remote. Therefore, any information shared internally could also be shared externally and business leaders must necessarily live in the public eye and expect that their behaviour and all communications will be scrutinised. Any misalignment between their actions and the business narrative will inevitably compromise the message.

Therefore, as one participant put it, ‘the success of landing the narrative is the credibility of the person telling the narrative’. This credibility was directly linked with the authenticity of the leaders and the alignment between the message and all the actions, behaviour, and messages of the leadership team. In other words, narrative in business was seen by the participants not just as a dynamic, living thing (as described above), but as a lived experience that must be embodied by the person ‘telling the story’.

“ It’s not science, it’s not art; you need both.

FTSE100 CEO

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3.4.2 Emotional, Personal, and Resonant

A significant majority of the participants highlighted that logic and facts alone are rarely sufficient to motivate or inspire people to do something:

It’s not science, it’s not art; you need both. You need the data analytics that sits behind... and the insights and the algorithms ... but you also need the storytelling. (CEO)

Participants argued that the audience will only respond to a narrative if it conveys an emotional and personal connection that resonates with them. As such, successful narratives were seen as requiring this kind of emotional and personal content, as another CEO put it:

[You have to think about] how do you bring something to life in a way that the individual you’re talking to kind of really internalises it, and cannot just think what you’re saying, but feel what you’re saying ... When people can really feel what you’re saying, they tend to buy what you’re saying, whereas if it’s purely rational ... it’s rarely enough. (CEO)

The need for a narrative to connect with the audience at an emotional level was a point that the majority of the participants repeatedly emphasised. Regardless of the purpose of the narrative and the wide range of audiences it might be aimed at, the emotional connection was held as one of the most critical factors that distinguishes a business narrative from the mere articulation of facts and figures. As one Chair stated:

“ When people can really feel what you’re saying, they tend to buy what you’re saying.

FTSE100 CEO

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I can get all, everything that someone may be telling me, but if I don't have some sort of emotional connection with it, I'm less likely to be persuaded. I don't want to overdo the word 'emotional', but you know, there are, the joy of a story, you know, whatever the wonder of this new medical treatment or whatever, the fact that children in the deprived area of, you know, West Africa, will no longer suffer from this disease, and the wonders of what that will do to society, you know, gives me an emotional connection as well as a logical one, in the right way. (Chair)

Few participants expanded more on the kinds of emotions with which a successful narrative should engage. However, one emphasised the idea of 'jeopardy', particularly in relation to narratives that are aimed at driving significant change, arguing that the narrative should contain a sense of urgency that elicits an emotional response. Another participant expressed this idea more clearly, referring to Aristotle's ideas that a story should contain pity and fear:

I will take you back to Aristotle who defined drama as depending on pity and fear. Those two emotions, where, when you tell a story, you evoke sympathy, you have pity for the people involved in the story, and fear for what might happen to them. He said those are the two dynamics of the story. Now that may be oversimplifying but he was thinking quite profoundly about what drives a narrative, why we tell narratives, why we need to hear narratives ... After the pity and fear you get catharsis which is the resolution of a story. (Chair)

The emotional content of a business narrative can, perhaps, be conceptualised in a similar way. The narrative should contain a sense of jeopardy within the status quo, a fear of continuing to do the same thing (whether that's a positive action or a negative action, e.g. not buying something), a sympathetic relationship with the narrative, and a clear explanation of the pathway to resolution – making a particular decision, buying a particular product, behaving in a particular way – the means to catharsis.

However, as another participant clearly articulated, if the emotion is going to elicit changes it must relate to the audience in a personal manner. Emotion alone without sympathy is unlikely to lead to change:

[The narrative has] got to resonate. There's got to be that simple element of, What's in it for me? There's got to be a hook in that narrative that encourages the person who hears it to believe that it describes a future that is going to be better for them in some way. (Chair)

3.4.3 Simple, Consistent and Coherent

Participants were also very clear that successful narratives must be simple, consistent and coherent. This is, of course, critical to all effective communications in business, but the consistent message across all the interviews was that narrative must be simple enough for the audience to understand the message instantly. One participant summarised this well:

What makes a good story? The ability to... make a clear argument, to reduce the argument down to make it simple so that people can catch it. (CEO)

The development of a simple narrative was seen as a critical skill (see Narrative Skills below) and something that is an iterative process that requires constant refinement, testing, and reduction. As described above, this reductive process might actually involve testing the narrative in the field and examining audience reactions before further refining and simplifying the message.

At the same time, the participants emphasised that successful narratives must be internally consistent and coherent. In most instances a business narrative was seen as driving some kind of change in decision making or the behaviour of the audience and so is a vehicle for an argument. Of course, the argument must be compelling and convincing to affect change, and, as one CEO repeatedly emphasised, the first part of this is ensuring that the argument makes sense within the narrative.

3.4.4 Aspirational and Actionable

Closely linked to the idea of a narrative being emotional, personal, and resonant is the idea that a successful business narrative must also be aspirational and actionable. Given that most business narratives, as discussed above, are, in some manner, attempting to cause a change, participants emphasised that the narrative itself must contain a vision of what that change should be and a pathway for the audience to make the relevant changes. As such, several participants expressed the idea of the pathway to change in terms of aspiration:

A good narrative should be aspirational as well as factual. You know, it should be about what we're trying to achieve rather than patting yourself on the back. (Chair)

However, as highlighted by a large number of the participants, aspiration is meaningless if it can't be actioned, if the audience can't see the clear pathway to making the change embedded in the narrative:

It's is it clear when I've read it that I know what I have to do? And it's like being given the recipe for a cake: there's no point in having somebody just describe the cake, you would quite like to know how many almonds you buy and I think that a good narrative has to have that. (Chair, Financials)

“ If it's not memorable, it's popcorn.

FTSE100 CEO

”

3.4.5 Memorable

Another essential criterion for a successful narrative, highlighted by the business leaders, was that it must be memorable. For many of the participants, the power of narrative is that it can convey complex information and an embedded vision in a way that's memorable. As such, many argued, if a business narrative is not memorable, it fails. One participant put this clearly, providing detail on what makes a narrative memorable, combining many of the criteria for a successful narrative already discussed:

If it's not memorable, it's popcorn ... What are the qualities that you're going to memorise something, right? You're going to need impact. It's got to resonate to a purpose, to something of value ... they're about human emotion, how we react. Stories, Greek mythology is fantastic at that ... stories such as those create a paradigm of your own values ... They're sourced from lots of stories, lots of narratives ... Hopefully it's authentic, because to me it adds. The authenticity resonates and makes it more visceral ... The powerful ones are people's own journeys. They're the ones that resonate because everyone lives in hope ... Hearing someone else's experience tends to be a very powerful and memorable story. (CEO)

As clearly articulated by this CEO a wide range of elements make a narrative memorable, usually related to the content. However, a number of other business leaders also particularly emphasised that the mode of delivery was also critical to a narrative being memorable. As described above, one participant discussed the importance of repetition in ensuring a narrative is remembered, and another highlighted the personal connection that can be achieved through face-to-face and virtual townhalls and directly targeted social media messages. However, almost all participants were highly critical of slide-based presentations as a means of communicating narrative in a memorable way, as one CEO put it:

In every company I've always had two or three people on the board that have such strong narrative skills that they can say something and people remember it ages to come because they say something that captures either the concept or the moment, or the person or the situation ... It's much more memorable when you put something in certain narrative context ... It's far better than 50 slides. No one remembers that, but they'll remember a story if it's told well. (CEO)

“ It's far better than 50 slides. No one remembers that, but they'll remember a story if it's told well.

FTSE100 CEO

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3.4.6 Strategically Structured and Carefully Crafted

As with any narrative, the participants emphasised that business narratives should be deliberately structured to take the audience on the desired 'journey'. As one business leader put it:

Narrative structure is critical. So, when telling a story in literature you might actually simply wish to have a startling opening and pull people in and make them want to know more. But narrative telling in business you very often need to give people a sense of where you're going to buy their time. If I'm a kid having a story read to me, I've already said I love having a story read to me and therefore I'm going to devote my attention to it. But if I'm talking to a board and I'm trying to sell that strategy, you know, do I care about this? Do I agree with it? Anyway, why are you telling me all this? Where are we going with this? I haven't got time or I feel I'm too professional to indulge in whimsy. So very often narrative telling in business, you need to give people a very good sense of why you're telling the story and where the story might be going or what its purpose is before you actually go through the narrative. Then it is good to try to construct a logic and then this, then this, then this, and here are the benefits and this is what will happen if we do this and do... and this is how we'll get towards our goal. And there's always this idea, therefore, that you've got a goal you've defined you're trying to get to. And the narrative is the status on that journey towards that goal. (Chair)

As described above, developing effective narratives was seen as an iterative process, requiring work and skill to refine the message. Therefore, many participants emphasised that this structuring and refining of business narratives should be considered as a kind of 'narrative craft', or 'business storycraft', distinct from telling basic stories or anecdotes:

Just because you tell a story, it doesn't mean it's interesting or engaging. I think people sometimes confuse narrative skill with just telling stories ... Stories can be really boring, right? ... So just because you're telling a story it doesn't mean it's going to be effective. So I think actually thinking about how you're communicating, working on it with other people, making sure that you have really pithy lines that actually are very remembered, and are picked up ... You have to work hard at making narrative engaging ... people have to be interested and engaged and so it is a skill. (CEO)

Several participants highlighted that a key part of this crafting process was testing the narrative, emphasising that you often won't know how a narrative will be received until it's been tested with an audience. As such the iterative, crafting process will often be, to a certain extent, in dialogue with the audience, often using the affordances of digital technologies to understand audience responses. As one CEO put it:

Actually the reality is you just don't know and so the only way you can know is you test these things and actually being out there, testing the narrative, really honing every single word really matters. (CEO)

[You must] pressure-test the messaging, written or verbal, so that you do not get so excited by either your own voice or the written message that the succinct pieces of information that you need to deliver are not lost in an ego trip. And you do see that, people that get carried away as the author or the speaker and they lose the audience. (Chair)

3.4.7 Targeted and Rooted in Audience Needs

Very closely linked with the idea of narrative craft or business storycraft involving audience engagement is the point, frequently repeated by nearly all the participants, that a successful business narrative must be developed with a specific audience in mind and targeted at that specific audience. Understanding different audiences and their needs and agendas was seen as a critical part of this. Participants highlighted the importance of research and narrative testing to develop this understanding and then ensuring that the narrative is properly tailored to the target audience in terms of content as well as mode and method of delivery:

You've got to determine who is the buyer of whatever you're selling in terms of an idea or a concept, a product or whatever. So, if you've misjudged the audience, it doesn't matter what you do, you think you're doing the right thing but you've done it for the wrong person ... Target the audience, be clear what it is and what the expectation of that target audience would be and if you don't do that, it goes wrong ... Most of that is discipline of knowing the audience, discipline of making sure you tailor the pitch to the audience you're working with, discipline of the message, and discipline of the style of delivery. (Chair)

3.5 Narrative Scepticism

While the vast majority of interviewees viewed narrative in a positive light, a few (four) expressed reservations about how the term is regarded in general outside their own companies or how the term might be perceived within the wider business community. In particular, they expressed a concern that the concept of narrative might be associated with literary fiction to represent a fictitious story. One executive stated: 'Many people I think are wrongly sceptical of narrative because they think it's an excuse to replace fiction with fact.' This concern may have been one reason behind the insistence by almost all the participants that business narrative must be firmly rooted in truth and be built around accurate facts and figures.

Although they amounted to only a small minority of the total number of respondents, at least four business leaders voiced a concern about how the term narrative is often – but not always – regarded with scepticism by some people in the business community, while simultaneously distancing themselves from this scepticism. The common thread among the sceptics appears to be twofold: first, an association with political narratives; and second (not unrelated to the first point), an association with lies or deception.

One CEO even advised on placing “a large health warning” on the report's topic, narrative in business. “The profession where narrative is practiced most is politics,” he said. “The danger with the adoption of narrative and the use of storytelling and branding and coherence in communication is that it can be interpreted as a sort of licence to be fast and loose with the facts.”

Another CEO said of the term narrative: “I hear the word firstly as an American word and I hear it secondly as a political word. What's a narrative that a [political] party has to tell? What's a narrative to voters? What's the narrative of a president or prime minister?”

A third CEO stated bluntly about his own organisation at a corporate level: “We very rarely talk about ‘narrative’.” He added: “‘Narrative’ is a word I always thought came from Tony Blair in a sort of political context ... I think it's probably a political term rather than a communications term.”

Another business leader cautioned that this report should remind readers of the need to “understand the difference between narrative and spin.” “Not that people go in to deliberately lie, but when people write narratives ... [they] go in thinking, ‘I've got to tell the story as I want it to be,’ and can lose sight of what it really is.”

As such, several of these participants warned against embracing the term narrative with one preferring to use the term purpose and another preferring the term research skills instead of narrative skills, given that their core business was concerned with ‘finding out the truth behind the story.’

We feel that it is essential to include these views in this report and highlight that the term ‘narrative’ is neither used nor favoured universally. However, the core activities and functions of narrative discussed above were described by all the participants, whether they used the term ‘narrative’ or not. These and the skills associated with the key activities (outlined below) were agreed as essential components of business success. Therefore, we argue that the term ‘narrative’ provides an important heuristic device for mapping key business activities and a useful conceptual framework for understanding the skills required for success in business contexts. However, the terminology is less important than understanding the set of dynamic business activities to which it refers.



4. WHAT ARE NARRATIVE SKILLS?



Although the interviews were focused on the concept of narrative in business, which inevitably set the tone of the discussions with participants, almost all the participants during the interviews used the term ‘narrative skills’. As highlighted in the introduction, the concept of narrative skills is underdeveloped, under-theorised, and a term rarely used in relation to broader academic and policy discourses on employability skills and extensive searches highlighted that the term ‘narrative skills’ simply does not feature in employability skills frameworks or career service literature. However, as we conducted this research, it became increasingly apparent that many participants thought of the idea of narrative skills as a critical skillset for work in the business world, a skillset that was needed at all levels of an organisation. When discussing narrative skills, participants emphasised a range of skills and it is, arguably, this combination of skills that makes the narrative skillset distinctive and attractive in business contexts, particularly in relation to business leadership.

Given the key communicative function of narrative in business contexts, narrative skills were, perhaps, inevitably linked with communication skills. However, as described above, narrative was seen by participants as functioning in a complex and nuanced manner and so narrative skills were seen in broad terms, associated with the wide range of uses and functions of business narratives. Narrative skills, therefore, can be seen as comprising a family of interrelated and overlapping skills associated with the key activities of narrative creation and narrative communication:

Narrative Communication

Empathy and Perspective Taking

Critical Analysis, Synthesis, and Managing Complex Data

Creativity and Imagination

Digital Skills

Although these skills, taken individually, are very common in the literature, the combination of these into a skillset specifically linked with narrative provides a new way for thinking about key business skills. As discussed in Chapter 3, the increasing complexity of business and social contexts was seen as requiring a package of skills that cut across the different needs and business agendas and the range of stakeholders with which businesses now must engage, as one participant put it:

The way we have to engage with clients, regulators governments, media, the nature of the work that we’re doing is much more complex... [it’s] ecosystem-based, solution-based. It needs a broader range of skills. It’s not just about giving an answer to this tax return. It’s the purpose of tax, what is responsible tax. So you have to have that broader range of skills in the more complex ecosystem that we live in and continues to evolve at that level of complexity and the need to manage broader stakeholders. (CEO)

Participants were very clear that this combination is what is critical to business success and what they, as employers, are looking for in graduate employees and particularly in executives.

Although, it was the combination of these skills into a specific narrative skillset that participants particularly emphasised, we will now discuss each skill individually to illustrate why the business leaders saw them as important and how the skills were described as being deployed. Inevitably, some of this content overlaps with descriptions of how narrative functions in business in order to illustrate the contextualised nature of the deployment of these narrative skills.

4.1 Narrative Communication

Across all the interviews, it was clear that strong communication skills were seen as fundamental to success in business and central to the way narrative works in business contexts; as one participant described:

I think communication is critically important and sometimes underestimated. Critically important because narrative skills are all about communication. You can have the best brain in the world, you can have the most intelligent person on board, but if they can't communicate then you are half as effective as they could be. (CEO)

While excellent communication has long been emphasised as a key employability skill in almost all roles and work settings, participants emphasised that, in terms of narrative communication, the ability to communicate effectively in a multimodal manner across a variety of media (the changing media was brought to the fore in section 2.3) was essential as this is how business narratives operate in the modern world.

However, participants particularly emphasised the communication skills required to construct and formulate a narrative, arguing that in this context narrative communication skills are rarely simply a means of informing the audience; the narrative is usually constructed with the purpose of persuading the audience to do something or make some kind of change (see 2.1.2). Therefore, as one CEO put it, for business narratives, 'persuasion lies at the heart of communication' and the majority of the business leaders emphasised that these kinds of persuasion skills required an 'absolute mastery of language'.

So, it's the command of language, it's the ability to package things in a way that they're heard properly and you only have that with some disciplined thinking as to the use of language and the definition of messaging ... Reasonable grasp of language, ability to deliver a message in a succinct way and to work out the fact that use of language is a persuader and therefore it has to be written with that thought in mind, it's not just a dumping of information. (Chair)

This mastery of language was viewed by many participants as being linked with the ideas of 'narrative craft', where, as discussed above, developing and communicating an effective narrative is an iterative process that takes time and skill. One CEO described this process through the language of 'distillation', emphasising that this process of crafting the narrative was an essential part of an individual's communication skills, commenting that 'the distillation process of refining and refining is actually a really tough skill.'

When discussing narrative communication skills, participants particularly emphasised the importance of writing skills, commenting that, in the majority of situations, carefully crafted business narratives are first written down in order to develop a coherent argument and clear message. From that point, the narrative is modified to fit different audiences and modes of communication, but the written core is the most important part:

We insist that lots and lots and lots of stuff is written and then that forms the basis of the arguments and then we can package it up as to how we want to communicate the different things to different audiences, which is creating TV advertising, using podcasts, building social media presence, writing stuff for newspapers as op-eds in various guises. (CEO)

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Narrative skills
are all about
communication.
You can have
the best brain
in the world,
you can have
the most
intelligent
person on
board, but
if they can't
communicate
then you are
half as
effective as
they could be.

FTSE100 CEO

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One business leader reflected on the importance of written narrative and more broadly, writing skills, across the whole organisation in all modes of communication, at all levels. This participant reflected how frustrating it is when employees do not have adequate writing skills and how valuable individuals that do have them are to an organisation:

I get lots of complaint letters and I tend to read them all and when I read what we've written to people, I'm shocked. I very, very rarely think we gave them a good answer. I read things and I sometimes bury my head in my hands thinking, "How on earth did we manage to write a customer a letter that rude, that arrogant, that dismissive, that missing the point?" So, I'm – a longwinded way of saying I think this project is massively valid both at the – in the realm of big narratives but actually there's a massive sort of, it's not a trickle-down effect although it could be, but there are, there's a much more micro point which is about how we communicate with people using the written word in a way that they understand it. (Chairman)

“ I think this project is massively valid.

FTSE100 CEO

As such, the business leaders were very clear that an essential part of narrative communication skills is the ability to write. Participants acknowledged the importance of speaking and presentational skills, and highlighted the importance of thinking strategically about the different ways in which business narratives are presented to audiences, including performance and staging. However, the ability to write well was, across all the interviews, repeatedly emphasised as the most critical part of narrative communication.

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These communication skills (persuasion, mastery of language, and writing) were emphasised as being essential at all levels in business, with all participants describing the importance of almost everyone in their organisations being able to communicate effectively with customers, staff, colleagues, stakeholders, and shareholders. However, participants particularly emphasised communication skills in relation to business narrative when discussing leadership:

“ One of the skills we teach our leaders, actually, is the art of storytelling.

FTSE100 Chair

Communication is highly important. One of the skills we teach our leaders, actually, is the art of storytelling, and it is something we have in our leadership programmes; and the ability, when you communicate, to make it interesting, to make it personal, to make it unexpected ... We value it a lot, and actually train it into our leaders, to the extent that you can train it. It's a big piece of our culture, and I'd say the role of the leader, the individual, in being able to communicate effectively or have a compelling narrative, is very fundamental in our business, and it's put into practice all the time. (Chair)

As such, for many of the participants, the concept of narrative skills overlapped fundamentally with leadership skills and the ability to develop a coherent and compelling strategy (or 'having a narrative') and communicating it effectively, and purposefully, to a wide variety of different audiences.

4.2 Empathy and Perspective Taking

A key part of narrative construction and communication and one of the most important factors participants highlighted for narrative success was understanding the audience; understanding what audiences want and need and how they will react to different business narratives was repeatedly emphasised by all participants.

I mean a lot is around stop thinking about transmission and think about reception in messaging. Who is my target audience? And put myself in the position of the target audience. I think that is one thing that I've learned through life, that too many people only think about transmission and not about reception. (Chair)

The importance of thinking about the reception of a narrative and understanding the audience was highlighted by the majority of the business leaders as an essential skill in relation to narrative construction and communication. As another participant put it: ‘I’d say the art of communication is understanding the listener and the impact that your communication has on the listener.’ (CEO)

Participants often described the ability to understand the audience of a narrative in terms of ‘empathy’ or ‘perspective taking’, and emphasised this as a key narrative skill:

[It’s the] ability to put yourself in somebody else’s shoes and think how they receive something you tell them. How will they receive it? And the point about fashioning a narrative that works, that influences, that stimulates people, is you need to imagine yourself into their mind. What do they need to hear? What are the triggers you need to press to stimulate and excite them and get them to follow you and believe you ... Think yourself into your audience. If it’s the board, that’s the five of us, what do we want to hear, what do you know we object to, what are our reservations? And then fashion your story based on that. (Chair)

As highlighted, above, with almost all the participants working in organisations with very large, international workforces and with a complex range of international stakeholders, many explicitly emphasised the important skill of understanding and engaging empathetically with a range of cultures and developing appropriate cross-cultural narratives. One participant provided a powerful example of this:

We do lots of training on cultural differences, and hope that, through cultural awareness, people will shape the story they’re telling to be appropriate. I mean, I’ll just give an example, if you’re in the US, it is routine, in any conversation you have with a client, to pick up on a personal cue that you can see around someone and talk about it. And in that, you tend to get into stories quite quick, because you go, “Oh, you support ...” whatever team it is, “And we thrashed your team the other day at Wembley,” and you just get into that sort of narrative. If you did that in Japan, it’s completely inappropriate to start talking at a personal level like that, and take personal cues, it’s completely inappropriate. You might earn the right to do that after 30 years, but you don’t do it in your first meeting, whereas in the US you would. (CEO)

As such, it was clear that, for many participants, the skill of empathy and perspective taking was essential for understanding the audience of a narrative and predicting how it will be received, but the skill can’t be divorced from context. For narrative to be meaningful in cross-cultural contexts, participants emphasised that individuals need knowledge of a range of cultures. As will be discussed later, participants emphasised that much of this knowledge, which enables key skills to be successfully deployed, is likely to only be developed through experience of business and work-based learning.

4.3 Critical Analysis, Synthesis, and Managing Complex Data

In addition to communication skills and empathy, participants emphasised the importance of the ability to analyse critically complex situations and complex data and synthesise that information effectively. As highlighted in section 2.4, almost all participants emphasised the importance of ‘truth’ and ‘facts’ for successful narratives. This means that a key narrative skill is the ability to ‘deal with’ information effectively. At its basic level, this involves critical thinking and analytical skills in order to process a wide range of complex information and data, as one participant particularly highlighted:

“ To me, “numerical” doesn’t mean that you can add up all the prime numbers under 100 in 10 seconds, it means that I can tell you what these numbers mean.

FTSE100 CEO

Analytical skills ... Now, you get a lot of junk coming in all the time which you can screen but some things are very important and that’s the time that those basic skills are – you know thought-processing are pretty important and then sharing the thought processing with others to get a collective view. (Chair)

Some participants described these kinds of analytical skills in data driven terms, emphasising the need for individuals to engage with and manage complex data when crafting and disseminating narratives. Many really emphasised the critical importance of numeracy here, with, for example one CEO stating: ‘To be effective you need a degree of being confident with numbers and numeracy and that’s a kind of sine qua non’. However, no participant emphasised numeracy (as a skill) on its own. Instead they emphasised the combination of numerical skills with analysis, critical thinking and wider communication skills so they could interpret and communicate what numbers mean. One participant discussed the importance of the ability to think critically about numbers and interpret them by describing a member of staff his organisation had to let go because he did not have the appropriate analytical skills:

And this guy that we let go could look at a page of numbers and tell you how they added up and he could check that they were right but he couldn’t tell you what they meant. He couldn’t look at the valuation spreadsheet and the underlying profit numbers and growth numbers and say, “Well my narrative here is that the reason these companies are more highly valued than those companies is because of these factors and if you look over there, you can see that this is what’s happening.” So, to me, “numerical” doesn’t mean that you can add up all the prime numbers under 100 in 10 seconds, it means that I can tell you what these numbers mean. (CEO)

Another participant emphasised the same point, arguing that dealing with numbers and complex data is critical in business, but what makes someone really successful is the ability to analyse and interpret that information and use other narrative skills included in this section to craft a strong narrative that uses the information to operationalise the narrative with a meaningful purpose:

If they’ve [employees] come through a pure maths background, they’re fantastic with the data, they can really do extraordinary things with the data, but they can’t necessarily motivate or persuade or negotiate. And it is combining those two skills of being able to really master the numbers and master all the facts, but then convert that into a compelling idea and communicate that. (Chair)

However, many participants also emphasised that the kind of data or information individuals involved in business narratives must deal with goes beyond numbers. Given the complex social world that businesses now operate in and the diverse range of

stakeholders with which they must engage, dealing with complex social, technical, political, financial and economic information critically and analytically and the ability to synthesise all of this information effectively was highlighted by almost all the participants as an essential skill.

As one participant put it: ‘The ability to, I think, synthesize a lot of information and put it into a simple, compelling way of telling the story is key.’ Another participant, reflecting on the importance of narrative across his whole career, provided a useful example of how these analytical and synthesis skills were an essential component of his set of narrative skills:

Very early on from my early 20s, I was involved in helping to shape decisions – should we build a new factory to make this particular product or not? And yes, it’s going to be bedded in financial information, but it’s about understanding where the demand for that product or set of products might be ...The reality is that you were focused, above all, in what the consumer was going to buy, why that would be growing, or why would that be contracting, and adapting then your investment policy about what you were going to put in the factory, whether you needed a new factory, whether your supply chain ... was appropriate for what the consumer was buying ... So you were totally immersed in the real world ... I wasn’t immersed in financial accounting, you know, doing the debits and the credits and the control systems. Yeah, I did a bit of that and I learnt a lot of that, but that wasn’t what it was about, it was about understanding what the real facts were and then to tell a story about that to your superiors ... [You need people] who can get right into the analytics and those analytic skills, those logical skills are crucial. You need those people, but if that person, in addition, can create the story, can explain what the motivations as far as he or she can say are of the consumer or supplier, or the environmental issue that’s pushing your investment one way or the other – if he or she can add that to that analytical base, they are going to be very successful in the organisation ... I think that’s an important element here of mixing these, if you like, two disciplines. (Chair)

“ You need people] who can get right into the analytics ... but if that person, in addition, can create the story... they are going to be very successful in the organisation.

FTSE100 CEO

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4.4 Creativity and Imagination

Despite the overt emphasis on the importance of facts (and associated analytical and processing skills) for narrative, almost all participants also emphasised the value of creativity and imagination when both constructing and communicating business narratives. In general, business narratives were described as being rooted in some kind of projected change, a projected future, which requires creative vision and imagination (see Section 2.1.2):

To be a good storyteller you need powers of discipline and analysis and organisation. But you also need powers of imagination. And that applies to a company strategy as much as it applies to writing a novel. Because imagination is thinking of something that doesn’t currently exist that could be brought into existence that could be achieved that could be reached as a destination. That is by definition an act of imagination. So you need imagination. (Chair).

This creative ability to imagine a different future and construct an appropriate narrative was seen as sitting alongside numeracy and data analytical skills and almost all participants emphasised the importance of combining these different kinds of skills within business contexts. This combination of skills, which, perhaps are not always seen as co-occurring within the employability skills literature, was viewed as something that makes the narrative skillset distinctive, vital, and valued.

4.5 Digital Skills

The final kind of skill within the narrative skillset frequently referred to by the participants was what can broadly be defined as digital skills. Many business leaders highlighted the rapid emergence of digital technology as the primary means of communication, especially since the advent of smartphones and social media in the noughties, arguing that this has made the creation and control of corporate narratives increasingly complex. The overwhelming consensus among business leaders was that this technological dynamic has ushered in an era of multiplicity, not only of different kinds of narratives for different audiences, but also of different kinds of platforms by which to communicate these narratives. Almost all the participants emphasised that their employers, but particularly executives most involved in business narratives, need to be on top of this multiplatform, multinarrative environment at all times as well as having the skills to deal with emerging platforms and rapidly changing discursive environments.

Many described how the COVID-19 global pandemic has greatly accelerated the shift in electronic communications, both within the workplace as well as between businesses and their customers or clients. None of the participants were expecting a return to the status quo and all were anticipating that electronic communications would remain an increasingly important part of all commercial communication. This has, to a certain extent, involved a transformative shift in the mechanisms of business narrative delivery, with, for example, as described above, increasing reliance on virtual townhalls, internal social media sites, personalised digital messages, etc. Participants consequently highlighted the ability to both engage effectively with a wide range of digital tools and think strategically about their affordances as key parts of the narrative skillset.

However, several participants highlighted that, for business narratives, the concept of digital skills should go beyond the ability to use technology as part of the process of narrative delivery or to collect data on narrative reception. Several business leaders highlighted that the pace of change in the business world has increased dramatically over the past two decades, forcing companies to adapt their narratives more frequently in response to the forces driving change. One CEO described this phenomenon as “the ferocity of change.” This ‘ferocity’ was seen as partly due to technology and the changes it and associated digitalisation and automation brought to social and political life and the nature of work. It was also seen as partly due to increasingly shorter product life cycles, the discursive shifts in business which has seen increased engagement with stakeholders, and a result of the differing outlooks of younger generations, whom business leaders regarded as being typically more critical and questioning than older generations. Together this mix of factors makes change a constant in business. As described above, participants saw effective use of narrative as a critical way of navigating this ferocity of change. However, in order to use narrative effectively, several leaders highlighted the need to understand both the changes taking place and the drivers of those changes. This means that a key part of a narrative skillset is the ability to make sense of an increasingly digitised world and deploy digital skills to understand and imagine the trajectories of change and craft an appropriate business narrative in response.

4.6 Narrative Skills: A Holistic Framework for Employability

A key finding of this project has been that the concept of narrative skills provides an important and new way for thinking about employability in business contexts. The skills outlined above were highlighted by participants as being critical to narrative construction and delivery and were seen as being essential for all successful business leaders.

However, although discussed separately here, it is clear that these skills overlap and are complimentary and it is important to emphasise that the participants saw the skillset in holistic terms. It is the combination of these skills in a holistic manner that makes the narrative skillset distinctive and something that the business leaders saw as being so important:

What I would also say though, is we don't hire a group of people who do narrative, and another group of people who do equations; we hire people who can do both... rounded individuals. (CEO)

Therefore, through our analysis we have identified a framework for thinking about narrative skills that combines: communication skills (with an emphasis on persuasion, mastery of language, and the ability to write); empathy and perspective taking; critical analysis, synthesis, and managing complex data; creativity and imagination; and digital skills (both an understanding of the affordances of digital communication tools and the rapidly changing digitised social, political, employment and economic context). Our data shows that these skills are explicitly valued by business leaders and are core to everyday business activity. As such they provide a key way of understanding the skills business require in a contextualised format that is rooted in concrete, cross-industry examples of real activity.

We recommend that this new framework for thinking about narrative and employability in business be explicitly adopted in the business community for employees to think critically about their recruitment practices. At the same time, we believe this framework has the potential for educational institutions, at all levels, to reflect on the skills that they support young people to develop and integrate it strategically into their skills formation practice. As such, more work is needed on analysing the education system and the ways in which institutions, particularly within higher education, are currently developing skills relevant for business and the mechanisms and pedagogic approaches that would best support the development of a narrative skillset.

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a group of
people who
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FTSE100 CEO

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Narrative skills: A holistic framework for employability

Communication

- Persuasion
- Mastery of language
- Ability to write

“You can have the best brain in the world, you can have the most intelligent person on board, but if they can’t communicate then you are half as effective as they could be.”

Analytical

- Critical analysis
- Synthesis
- Management of complex data

“You get a lot of junk coming in all the time which you can screen, you know thought-processing are pretty important and then sharing the thought processing with others to get a collective view.”

Digital

- Understanding digital trends
- Ability to pivot with change in technology

“And in the industrial revolution that we’re living through, which is the digital industrial revolution, which I would argue is more dramatic than anything in the 19th Century.”

Understanding your audience

- Empathy
- Perspective

“Who is my target audience? And put myself in the position of the target audience. I think that is one thing that I have learnt through life that too many people only think about transmission and not about reception.”

Storytelling

- Creativity
- Imagination

“To be a good storyteller you need powers of discipline and analysis and organisation. But you also need powers of imagination.”

“The way we have to engage with clients, regulators, governments, media, the nature of the work that we’re doing is much more complex... its ecosystem-based solution-based. It needs a broader range of skills. It’s not just about giving an answer to this tax return. Its the purpose of tax, what is responsible tax. So you have to have the broader range of skills in the more complex ecosystem that we live in and contonues to evolve at that level of complexity and the need to manage broader stakeholders.”

5. NARRATIVE SKILLS FORMATION



As outlined in the introduction, the core focus of this research project has been to examine how narrative is viewed in business, how it works, and the skills associated with narrative that are valued by business leaders. As such we have described the different aspects of business narrative in detail and developed a framework for conceptualising narrative skills. Although this is an under-theorised area, skills associated with narrative creation and analysis are broadly associated with arts and humanities degrees. Therefore, although it was essential to start with the skills business leaders actually value in practice, rather than the skills arts and humanities graduates feel they bring to employment, a key part of our interviews allowed the business leaders to reflect on how they felt narrative skills are formed and whether they particularly linked these skills with arts and humanities degrees.

The interviewees were keen to offer their insights on what they believed were the key parts and gaps in the education system and the skills that graduates were arriving with to the job market. However, it is essential to emphasise that a deep, holistic analysis of the skills formation system (comprising secondary and tertiary education, work-based training, informal learning mechanisms, and individual career trajectories) is required to understand how narrative skills are developed in detail. The data presented in this section reflect participants' top-level views of skills supply, the skills they associate with the arts and humanities, and their views of the education system. Many of the business leaders, though, were explicit in qualifying these views by pointing out that they did not have the same level of knowledge or understanding of the education or skills supply system as they did of narrative and business.

This chapter highlights that business leaders considered that narrative skills were usually developed across disciplines and that while these skills can indeed be considered core skills developed through arts and humanities degrees, these arts and humanities subjects do not hold a monopoly on them:

Arts and humanities have got a major role to play in that [narrative skills], but it wouldn't be an exclusive role. (CEO)

The chapter also highlights the belief that the leaders of the companies held that the education system in the UK, despite its strengths, also has gaps that need addressing, both at the secondary and tertiary level and in relation to further education. This chapter also highlights that a large proportion of the FTSE100 companies have their own training programs, designed to help meet the skills needs of the individual companies and that many of the participants did not necessarily expect graduates to enter the workforce with fully formed narrative skills. These are partially developed through experience in business and formal in work training. This is important to highlight, as it raises the important notion of shared responsibility for the development of skills between education and employers, an argument that has been highlighted by academics for many years (e.g. Keep and Mayhew, 2010; Robson, Randhawa and Keep, 2018).

5.1 Narrative as a core skill for Arts and Humanities graduates

Unsurprisingly, among the interviewees, the greatest advocates for arts and humanities graduates in regard to what skills they bring to business were those who had studied an arts and humanities degree, typically at undergraduate level. Even accounting for a natural bias, their advocacy is revealing in that it crystallises the core skills of such degrees – irrespective of a student’s actual discipline, or major. However, in general terms, the majority of participants agreed that arts and humanities degrees tend to specialise in a common group of skills, very similar to the skills outlined above in the framework for narrative skills. These primarily were: communication skills (particularly writing and rhetoric), reading, critical thinking, and immersion in different kinds of narratives. Most of these skills are inter-connected and overlapping on multiple levels.

The most commonly practised tool of assessment in a humanities degree – essay writing – is still considered by business leaders to be a major asset. Many of them opined about a perceived deterioration in the quality of writing skills among university graduates across the board, while lauding writing ability as a key attribute for humanities graduates. Yet they highlighted that essay writing provides training in much more than simply the ability to write well. Essay writing also involves training in reading significant amounts of information, while simultaneously sorting through what is relevant and what is irrelevant, and often determining what is factual and what is not factual. In turn, the composition or planning of an essay was highlighted as requiring the structured ordering of thoughts and ideas, in order to develop and articulate a coherent argument.

You can imply that art subjects are unstructured, but actually in writing essays and formulating arguments there is utter structure – you actually need to structure a narrative and simplify a narrative. (Business leader)

Similarly, another business leader emphasised the critical thinking skills inherent in essay-writing, arguing that the process of structuring a narrative and dealing with multiple sources and different information is:

Something that is massively important in today’s world of basically an overload of half-truths. It [teaches one] to ask the question: Is that true? Is that really what he said or she said? Has that been taken out of context? (CEO)

The notion of structuring ideas and engaging with complex information was seen as being inextricably related to another key skill the majority of participants explicitly linked with arts and humanities degrees: independent, critical thinking. While respondents on the whole acknowledged that critical thinking is a component of any good university degree, regardless of the faculty, they emphasised that arts and humanities degrees are closely linked with critical thinking amid uncertainty, ambiguity, and subjectivity, given the subject matter. As described above, these kinds of critical thinking skills were particularly valued by the participants given the increasingly complex contexts businesses must now operate in, the range of stakeholders’ interests they must take into account, and the challenges of working in a post-truth age.

Participants contrasted this approach with more deterministic models of problem-solving, which many often associated with STEM subjects, where they felt that all that was required was the analysis of 'objective facts' to reach a single solution.

Traditionally, it would just be a very straightforward financial analysis about how much you are spending, and the returns you get, you decided if that project is worth funding or not. In today's world, you look at it much more broadly. (CEO)

As such, participants frequently argued that current business decision making requires criticality rooted in ambiguity and multiple agendas, the kind of critical thinking particularly linked with arts and humanities degrees. As described by one business leader, who studied both science and a humanities discipline, scientists are often taught how to create a hypothesis and try to disprove it. 'You never can prove something to be true, you can only prove it to be untrue.' In comparison, many participants felt that the humanities, in general, do not involve enough data to prove that something is not true, and instead focus on weighing up evidence and the motivations of people who provided the evidence in order to make judgements, in essence, 'always operating in this slightly unknown area'.

A humanities student's immersion in different kinds of narratives throughout an undergraduate degree was also considered a key attribute for implementing different kinds of narratives in business. Even within a single discipline, an undergraduate is exposed to a wide variety of narrative structures. In literature, for example, that may encompass different genres such as novels, plays, poetry, film, and television, a distinction between fiction and non-fiction, or styles such as drama, comedy, satire, farce, romance, thriller, and so on. This background was seen as enabling humanities graduates to draw on a mental library of narrative categories when formulating their own narratives in a business context.

Rhetorical skills and the art of argument and persuasion were highlighted as key narrative skills and regarded as critical to business. These were also considered another core component of the humanities by the business leaders.

Arts and humanities are used to having to communicate ideas, thinking, clarification, distilling arguments. Listening, this ability to critically debate, to listen to points of view, to understand argumentation, is different to scientific debate. (Chair)

To a certain extent, closely linked with these ideas of argumentation were empathy skills. These were highlighted as a critical component of the narrative skillset and were explicitly linked with the arts and humanities by several participants. For example, one argued that through an arts and humanities degree:

You learn to put yourself into the shoes of the characters ... That gives you, typically, the ability to relate better.

These key skills are frequently associated with arts and humanities degrees (e.g. Lyonette et al., 2017). However, more broadly, several participants, particularly those business leaders who themselves are humanities graduates, identified a range of skills that are less frequently cited in much of the literature. In some ways, these are particularly important to highlight as they are frequently omitted in literature advocating the importance of the arts and humanities, but they are closely linked with the narrative skillset outlined above and were highlighted as being particularly relevant to the increasingly complex, stakeholder-oriented nature of modern business. These skills are performance, managing ambiguity, creative thinking, and cross-cultural understanding.

One of the major surprises that emerged from the interviews was a prioritisation of the performative elements of narrative in a business context, as discussed above (see Section 2.3). Participants particularly highlighted the performative aspects of narrative delivery and several explicitly linked this with training in performance most typically in an arts discipline such as theatre / drama, music, dance, and so on. Several business leaders highlighted that these kinds of performance-oriented degrees are often mistakenly disparaged for being ‘easy’ in regard to obtaining marks, when actually, as argued by one participant, ‘[they’re] s really not easy, it’s really tough’. Another suggested that drama studies are “invaluable” in providing a solid foundation in the business world due to training in how to speak, how to communicate through body language, and how to engage and lead an audience. “The skills for drama are used in everyday life all the time.” Moreover, constant rehearsals and collaboration with other performing artists – whether actors, musicians, dancers, or others – were seen as providing a solid training in teamwork, which was regarded as essential across all kinds of businesses.

Managing ambiguity and creative thinking were linked together in the minds of many of the participants. There was an overwhelming consensus among business leaders that the third decade of the twenty-first century will be marked by an even greater intensity of change and uncertainty, driven predominantly by technology, political trends, global trade, the climate crisis, and, most recently, the current global pandemic. As a result, as described above, business leaders are increasingly relying on managers and executives who possess both the cognitive ability and the personal fortitude to navigate unknown journeys. Arts and humanities degrees were regarded by many participants as being central to this trajectory. Several respondents stressed that the humanities in particular, in essence, deal with grey areas that require imagination and creative thinking in order to both analyse situations and devise recommendations. In particular, the humanities teach that there are usually a range of outcomes from any given situation, that the world consists of plurality rather than singularity.

It makes you realise that there are many ends to a story. The humanities are quite helpful because you watch the story end in many different ways. You interpret the ending often as something quite differently. I think if you lived in a world of black and white, kind of took a computer degree, or a maths degree, there’s often one answer, and that means you’re searching for the one right answer.

Another business leader added that in the humanities ‘there’s no right answer, there’s only a likely answer or a possible answer. And quite often, people with a more scientific background can struggle with that uncertainty.’

This notion of humanities graduates being able to envisage multiple endings to a story extends to being able to imagine multiple futures for the world. As one CEO put it, this involves an ability to “craft the future,” not only for oneself, but for others in the business, and to inspire others about how to arrive at a desired “end state” at some point in the future. Another business leader referred to this imaginative future skill as being “optimistic,” not in a naïve sense, but rather with a conscious focus on what could go right in the future as opposed to what could go wrong. “So you need to imagine what the world could look like in ten or twenty years’ time, rather than describe in minute detail what it used to look like twenty years ago.” As highlighted above, this creative envisioning of the future was seen as a key part of the narrative skillset.

“ Good storytellers come from all sorts of backgrounds.

FTSE100 Chair

”

The final important skill associated with arts and humanities degrees by the business leaders was an understanding and appreciation of other cultures outside of Britain. An undergraduate experience in the arts, literature, history, philosophy, religion, languages, and so on frequently engages with cross-cultural studies that transgress geographic, national, cultural, religious, and linguistic borders. This is particularly relevant for companies whose operations span different countries and cultures, often dozens of countries for large corporate entities. Business leaders stressed that cross-cultural sensitivities are critical for not only selling goods or services, but also for dealing with employees, customers, and broader stakeholder groups in local communities. The issue of global brands needing to traverse domestic cultures was a constant theme in interviews. Narrative is a big part of what brand managers do, said a CEO. “With global brands, you have to get the nuance of how it works across cultures. You’re constantly looking for deep human truths or motivations that cut across cultures.” Furthermore, a sensibility for non-Western societies is especially useful when negotiating with communities or societies whose laws, social norms, and values may be markedly different from Western ones. One business leader pointed out that Western methods of doing business may, at times, be inappropriate for finding mutually beneficial solutions or even for realising that there may be underlying problems that are not readily visible.

Thus, broadly speaking, many of the skills the business leaders explicitly associated with arts and humanities degrees closely align with the skills outlined above in the framework for conceptualising narrative skills and were highly valued within business contexts. However, all of the participants emphasised that they did not view the arts and humanities as having sole ownership of these skills and that they could be developed through other subjects. As one business leader succinctly put it, arts and humanities graduates ‘do not hold the monopoly on creativity... I would observe that good storytellers come from all sorts of backgrounds’.

It is important to emphasise that this section reflects the participants’ views of skill associated with the arts and humanities and some of the suggestions, the association of STEM subjects with a lack of creativity, for example, may not reflect the reality of current degree programme across all subjects. A detailed analysis of arts and humanities degrees is required to examine the current supply of skills related to narrative in business. Undertaking this work is one of the key recommendations of this report. It is also important to highlight that several key skills associated with the narrative skillset were not associated with the arts and humanities: managing complex data (particularly in terms of numeracy skills) and digital skills. As highlighted above, participants saw the combination of the skills in the narrative skillset as critical to business success and so suggested it was essential for individuals to develop these skills elsewhere if they were not developed through formal education. At the same time, although participants associated key skills with particularly degree subjects, many were critical of the education system as a whole and its ability to help individuals develop narrative skills, and general employability skills more broadly, in a systematic manner.

5.2 Skills formation in the UK

Broadly speaking, the business leaders held mixed beliefs as to whether the education system was meeting their current skills needs, or even adequately preparing graduates for the labour market at all. Some believed that the education system was producing high calibre graduates, helping individuals develop leadership, critical thinking, and analytical skills:

I'm impressed, actually, with the quality, I would say, if I look at the graduates coming into the company. There's a good mix, and we look for diversity and breadth of backgrounds and all this stuff. (CEO)

I think there's parts of the British education system which are excellent in providing people with what I call sort of, you know, sort of, you know, intellectual raw material to function well in the workforce who communicate well, write well. (CEO)

However, most business leaders felt that higher and, more broadly, tertiary education, was inadequately preparing individuals for the world of work, often suggesting that this was a weakness with the UK education system as a whole, with issues beginning at secondary level.

So your question around, you know, does the university education prepare people to be ready for work, the answer is no. No, absolutely not. (CEO)

The education system as a whole is not producing what the economy currently needs and probably needs in the future, which is changing, of course, it's debatable where, but it is not producing that. (Chair)

These leaders felt that the education system in the UK had become too narrow in focus, too examination-focused, and lacked a practical emphasis, which made it difficult for graduates to transition from university into the world of work.

5.2.1. A call for interdisciplinarity

Although some participants emphasised the value of specialisation at degree level, at the heart of much of the critique was the view that the system has become siloed, forcing young people into specific disciplinary areas too early in their educational careers, at secondary level, which leads to siloed skills formation at HE level:

The UK educational system I think on the whole teaches very well but it does have this horrible defect of getting people to make this binary choice way too early in their careers.

As such, many participants explicitly argued that there needed to be more interdisciplinarity in the UK education system at both secondary and tertiary levels. Interdisciplinarity was seen as important in all subjects areas, with several participants arguing that students taking STEM subjects would benefit from skills associated with arts and humanities. Similarly, those skills that were typically touted as being specifically developed in the STEM discipline, particularly numeracy and dealing with complex data, were seen as needing greater representation across arts and humanities degrees.

There's no doubt there that it would help if there was some more essay writing and some more literature in the maths and engineering [degrees], or the STEM ones. (CEO)

I actually think I've come to believe that science courses should compulsorily have some sort of arts component to them ... So, I think narrative skills or communication skills perhaps should be incorporated in the agenda, along with teamwork too. (CEO)

I think that part of arts and humanities should be numeracy, because that's another language, it's another way of communicating. And there's no doubt, in business today, if you're not numerate, you're going to get left behind, without worrying about whether it's a technology business or not; any business, whether you're selling whisky or you're selling software. (Chair)

Underpinning this critique and call for more interdisciplinary models of education was a view that, what one CEO referred to as, 'multi-skilled' employees were not being produced by the current education system. Business leaders particularly valued combinations of interdisciplinary skills as illustrated by the narrative skillset, but it was felt that the education system in the UK was failing at producing these holistic skillsets that are valued in business, particularly in business leaders. Most of the participants felt that the UK education system was guiding students towards more 'vertical thinking' rather than the 'horizontal thinking' required by the complex ecosystem within which business operates. Where business, the public sector, and governments operate on a multi-disciplinary, boundary-spanning basis, graduates in the UK were seen as being too siloed, with little reward and recognition for interdisciplinary work in the tertiary education sector. Thus, many participants felt that there was an artificial divide between arts and humanities and STEM and argued that universities should be doing more to support a more holistic approach to skills formation:

I think universities should be offering more ... anything from two days to two months of let's get you up to reasonably on digital, you know, you're somebody in business, you've got a degree in arts, you don't understand anything beyond an Excel spreadsheet if you're unlucky not even that, these are the things you need to know. (Chair)

However, importantly, many of the business leaders suggested that this artificial divide was all too often reflected in political and policy rhetoric, emphasising that businesses particularly demanded skills associated with specific subject areas when the reality was more complex and nuanced. Participants emphasised their organisations were often agnostic about specific degree subjects taken by their graduate recruits, instead making hiring decisions on the skillsets that they actually held, particularly valuing multidisciplinary skills like the narrative skillset:

I think we will take people with the right skills however they've acquired them. So the way we recruit isn't by what degrees you do ... that's a filter we don't use. It's more about your capabilities or your potential. Now I might sound very high minded but that's kind of how our recruitment model and oversight model works. We have a broader, more diverse set of people coming into our organisation at the bottom because we are completely open-minded about what people have done for degrees; or indeed, increasingly, whether they've even done a degree. I do know that we capture the data on what degree people did when they join us, but we rarely look at that data; because actually, we don't pick them because of what degree they did. We pick them because we think we know – I'm not saying we do know! We think we know what sort of skills and attributes we want in people, and we know that we can probably find them on any degree course, and indeed, increasingly, as I say, often not even having to have done a degree. (CEO)

5.2.2 The role of employers in narrative skills formation

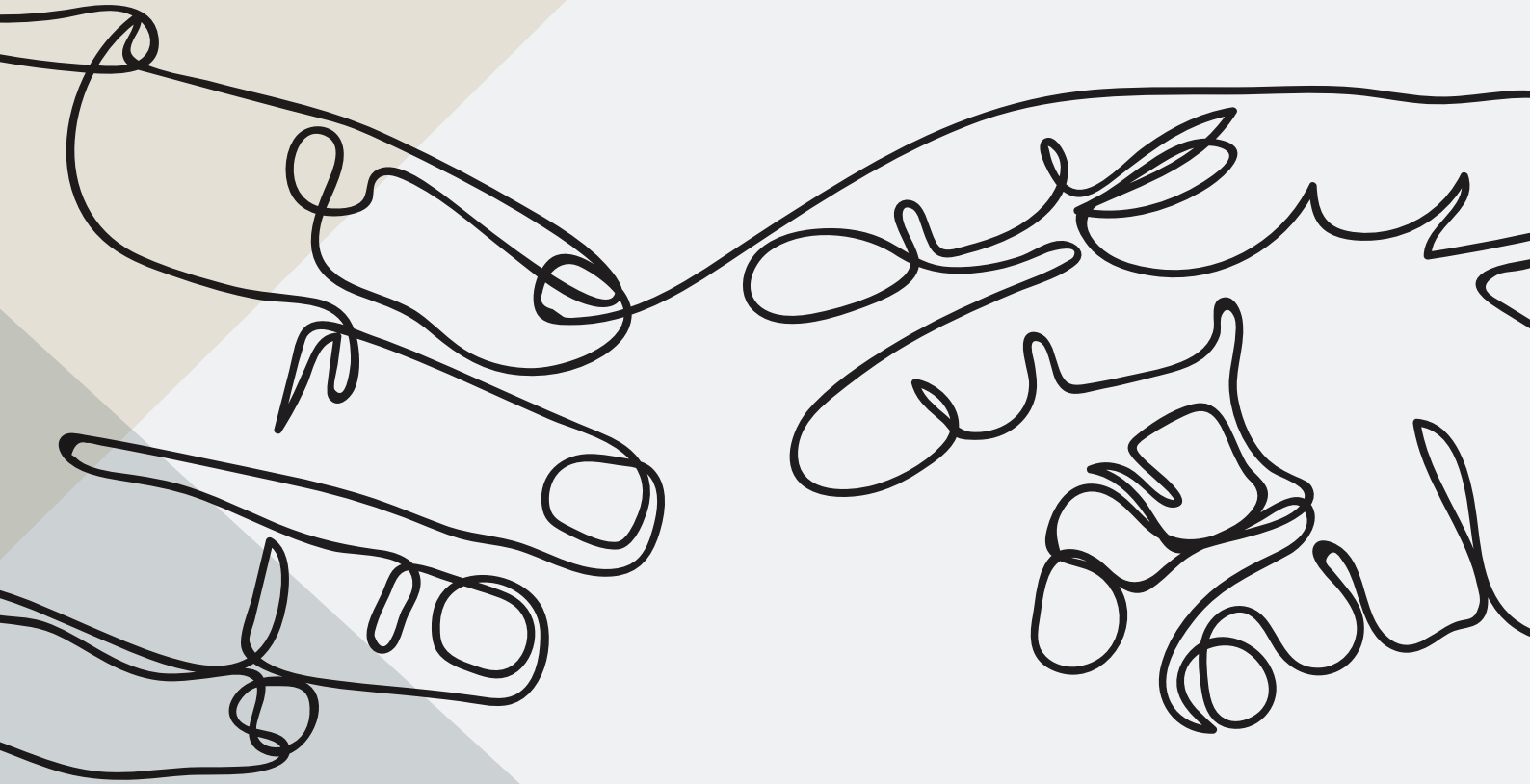
Although many participants were overtly critical of the current education system, it is important to note that many also emphasised that they do not necessarily expect their new employees and new graduates to have a complete set of narrative skills when they first enter the labour market. This skillset is particularly valued and associated with business success, but while much of the skills policy literature emphasises HE's role in producing 'work ready' graduates, the business leaders clearly did not conceptualise 'work readiness' in terms of fully rounded narrative skills. The majority of the participants suggested that these needed to be developed, partially at least, in the workplace.

I think, because our approach is to generally hire at undergraduate or at postgraduate level, but hire out of the universities, and then teach them the specialist skills in the way that we want them to be done, rather than just receive people off a conveyer belt who have done a vocational business degree, who think they know how the skills, you know, how the job should be done. (Chair)

Many business leaders placed a great deal of emphasis on the importance of learning and developing skills in business contexts, not least due to the changing nature of work and shifting skill requirements. The deployment of narrative skills in a business context was seen as requiring both a combination of the skills outlined in the narrative skillset and core business knowledge. Therefore, meaningful contextualised skills deployment is likely to involve a skills formation system that combines appropriate higher education and mechanisms of learning and developing skills on the job.

Given the importance placed on narrative and narrative skills by business leaders, a key recommendation of this research is that both businesses and universities use the framework for narrative skills to think critically about the skills that are valued by businesses and the way individuals are developing them. However, perhaps most importantly, the skills formation system should be thought about in more holistic terms with universities and employers as key parts of the same system, with both making vital contribution to the formation of narrative skills in the workforce. As such, there is a need to closer working between businesses and the HE sector and, we would argue, our framework for narrative skills provides an important starting place for deepening this relationship.

6. CONCLUSION



In a higher education policy context characterised by a growing emphasis on graduate labour market outcomes, the arts and humanities are facing increasing scrutiny and criticism for the low financial returns often associated with these degrees when graduates enter the labour market. At the same time, policy emphasis on the need for universities to provide employers with increasing numbers of STEM graduates and a reshaping of the tertiary sector is placing increasing funding pressure on the arts and humanities. Much research has been undertaken that emphasises the importance of arts and humanities degrees in terms of public goods and their intrinsic knowledge-related value. However, the work that explicitly aims at countering the economic critiques by highlighting the skills arts and humanities bring to the economy often start with the arts and humanities graduates themselves, emphasising the skills they feel are important. This is valuable research, but the voice of businesses and business leaders are often conspicuously absent.

This project, therefore, has explicitly engaged with business leaders to examine the skills that they actually value in practice. Given its increasing prominence in business contexts, we have used the concept of narrative as a heuristic device to examine the way in which business works and to provide a meaningful and contextualised framework for analysing the key skills business leaders value. Consequently, through interviews 34 business leaders (primarily chairs and CEOs from FTSE100 companies), we have examined how narrative is conceptualised in business, what skills are associated with narrative, and how these skills are formed.

6.1 Narrative in Business

As made clear in the rich and detailed discussions with the interviewees, narrative was seen as underpinning a wide range of business activities. Participants emphasised that narrative is not a concept or a tool that is static, or that exists in isolation of the rest of the business and its mechanisms. Rather, narrative was seen as existing in activity, a living entity, and a lived experience, permeating almost all business activities. From being used to communicate a business's purpose and values, to selling (ideas, products) through story, and even driving and managing complexity and change, narrative finds itself at the heart of every business.

Participants particularly emphasised the way in which the rapidly changing nature of business, partially accelerated by COVID-19, and an increasing focus on engaging with and benefiting a diverse range of stakeholders, places companies in a discursive space marked by tensions and challenges. A strong purpose-based, values-driven narrative functions as the means of holding together this diverse range of internal and external needs and perspectives, acting across cultures and space. However, perhaps most importantly, narrative also functions as a framework for all the stakeholders, including business leaders, to make sense of complexity, uncertainty, and a shifting landscape of issues and place themselves within it. As such one of the key functions of a business narrative is to act as an 'agent of simplification' in an increasingly complex business context.

Participants emphasised that narratives cannot be crafted without an active, ongoing dialogue with the varying, and increasingly diverse audiences with which business engage. These include a wide range of internal audiences and external audiences, including customers, shareholders and investors, service and goods providers, competitors, regulators, policy makers, and wider stakeholders including society in general terms.

The business leaders highlighted that crafting a narrative needs to take into account differences in culture, values, needs, and objectives and the different needs and agendas of the target audience. This means that the narratives need constant re-visiting to consider local contexts and needs and understanding narrative reception on an ongoing basis is a key part of crafting a narrative. Consequently, while highlighting a diverse range of delivery mechanisms for business narratives, participants particularly emphasised that the best mechanisms of delivery should also enable the ability to listen to and reflect on the audiences' responses and develop and adapt (often collaboratively) the narrative accordingly. This conceptualisation of business narrative as a process and the circular, reflexive relationship between narrative construction, delivery and the audience was repeatedly emphasised across the interviews.

Participants reflected on what makes a business narrative successful and highlighted several key, overlapping criteria for narrative success. For a narrative to have the most impact and success, it needs to be authentic, emotional, resonant, memorable, crafted on audience needs, and strategically structured. While being aspirational, narratives, perhaps even more importantly need to actually be actionable.

6.2 Narrative Skills

Participants highlighted that narrative was critical to a very wide range of activities in business and the skills associated with narrative creation and communication were highly valued by the business leaders. Narrative skills is not a common concept in the skills and employability literature, but it was clear that participants associated a particular and distinct set of skills with business narratives. Therefore, a key outcome of this research has been the development of a framework for conceptualising and contextualising this narrative skillset. This framework comprises five types of overlapping skills that are associated with the art and craft of narrative.

■ Narrative Communication

Communication skills were highlighted as perhaps the most important group of narrative skills, with business leaders particularly highlighting the need for a mastery and command of language, the ability to write, and the ability to craft persuasive arguments for diverse audiences.

■ Empathy and Perspective Taking

Business leaders emphasised the importance of empathy and perspective taking, which were viewed as critical to understanding audience needs and ensuring business narratives engage effectively with a diverse range of audiences, taking into account cross-cultural nuances.

■ Critical Analysis, Synthesis, and Managing Complex Data

Participants highlighted the importance of managing and analysing complex data, emphasising that this often includes financial data (requiring numeracy) as well as complex social, political, and economic information. However, business leaders emphasised that the most important aspect of this kind of critical analysis was meaningful synthesis and being able to explain 'what the data mean'.

■ Creativity and Imagination

Participants emphasised that business narratives are largely (to a greater or lesser extent) concerned with change. Creativity and imagination were, therefore, seen as critical to embedding an envisioned future within a narrative and navigating a range of possible futures and business outcomes.

■ Digital Skills

Business leaders highlighted a wide range of technological mechanisms for narrative delivery and the need for individuals to understand the affordances and nuances of these digital tools. However, participants also emphasised the importance of understanding technological changes impacting the business world and, more broadly, the nature of work, and the need to modify business narratives in response to rapid digital change.

Although these skills, taken individually, are very common in the literature, the combination of these into a skillset specifically linked with narrative provides a new way for thinking about key business skills. The increasing complexity of business and social contexts was seen as requiring a package of skills that cut across the different needs and business agendas and the range of stakeholders with which businesses now must engage. Our research shows that these skills are explicitly valued by business leaders and are core to everyday business activity. As such they provide a key way of understanding the skills business require in a contextualised format that is rooted in concrete, cross-industry examples of real activity.

6.3 Skills Formation

The business leaders in this study acknowledged that while narrative skills are often associated with graduates of arts and humanities degrees, these subjects do not have a monopoly on them. Our interviewees held mixed beliefs as to whether the education system broadly met their needs for narrative, or even prepared graduates for the labour market more generally. Most leaders felt that tertiary education was inadequately preparing individuals for the world of work, arguing that the system had become too siloed, forcing young people to choose specific disciplines too early. They sounded a clarion call for a more interdisciplinary approach in the tertiary, particularly, the higher education landscape, as this would facilitate more holistic skillsets that would allow for the 'horizontal' boundary-spanning thinking that was required in business. However, participants acknowledged that, in general, they are not experts in the UK education system and that further research is required to analyse the relationship between current education provision and the formation of narrative skills.

However, participants also emphasised that narrative in business is an active process and so narrative skills are partially formed through engaging in narrative related activities in business contexts. Therefore, businesses should not expect universities to produce graduates with a fully formed set of narrative skills. Businesses must play a role. There is, therefore, a continued need for universities and businesses to work more closely together to help students and graduates form relevant narrative skills.

The framework for narrative skills developed through this research project provides an important basis for deepening the relationship between businesses and HE and thinking critically about a holistic skills formation system that values both formal education and work-based learning. Businesses and Higher Education Institutions should therefore be more purposeful about providing appropriate structures to help individuals form narrative skills as a complete skillset in a strategic and holistic manner.



7. RECOMMENDATIONS

This report recommends that:

- Further research is undertaken to map the relationship between current educational provision and narrative skills formation using the Narrative Skills Framework developed in this research project as an analytical framework.
- Universities and other tertiary institutions, particularly departments involved in embedding employability skills in student learning (e.g. Careers Services), explicitly adopt language of narrative skills and the Narrative Skills Framework as a means of analysing the relationship between current skills formation and skills that businesses actually value.
- Businesses explicitly use the Narrative Skills Framework to underpin recruitment and training practices, ensuring that individual employees think carefully about developing narrative skills valued by business, particularly for leadership positions.
- Universities and Businesses conceptualise skills formation in holistic terms as taking place across formal education and training as well as through work-based learning and use the Narrative Skills Framework as the basis for deepening a meaningful working relationship.

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Appendix 1: Participant List

Titles accurate in February 2021

John Allan
Chair, Tesco

Sir Peter Bazalgette
Chairman, ITV

Olly Benzecry
Chairman Accenture UK and Ireland

Julia Black
Professor of Law,
Strategic Director of Innovation, LSE

Alison Brittain
CEO, Whitbread

Sir Donald Brydon
Chairman, Sage Group

Sir Roger Carr
Chairman, BAE Systems

Lord Stephen Carter
Group Chief Executive Informa

Steve Cooke
Senior Partner, Slaughter & May

Sir Ian Davis
Chairman, Rolls Royce

Tim Davie
Director-General, BBC

Roger Devlin
Chairman Persimmon and Chair William Hill plc

Kevin Ellis
Senior Partner and Chairman, PwC UK

Liv Garfield
CEO, Severn Trent

Sir Peter Gershon
Chairman, National Grid plc

Doug Gurr
UK Country Manager, Amazon

Nigel Higgins
Chairman, Barclays

Tom Ilube CBE
CEO, Crossword Cybersecurity,
board member BBC and WPP

Dame Carolyn McCall
CEO, ITV

Michael McLintock
Chairman, Associated British Foods

Nicola Mendelsohn
VP EMEA, Facebook

Ivan Menezes
CEO, Diageo

Bill Michael
Former UK Chairman, KPMG

Leena Nair
Chief Human Resources Officer, Unilever

Laxman Narasimhan
CEO, Reckitt Benckiser

Nick Owen
UK Chairman Deloitte

Charles Plowden
Joint Senior Partner, Baillie Gifford

Mark Read
CEO WPP

Professor Dame Nancy Rothwell
President and Vice-Chancellor of Manchester University

Simon Thompson
Chairman, Rio Tinto

David Tyler
Chairman, Domestic & General

Steve Varley
Global Vice Chair, Sustainability Ernst & Young LLP;

Nigel Wilson
CEO, Legal & General

Stuart Wood
Partner and Group Leader, Heatherwick Studio

Appendix 2: Structure of FTSE100

The UK economy and business

One cannot write about the state of UK business in 2020, without discussing the impact of the global pandemic on the UK economy – this is important, not only because of the obvious changes to the economy, but also to understand the context for the speed at which patterns of work and types of work have had to shift and pivot to adapt to these changes. It is also key as the data for this report was collected from major business leaders in 2020, and leaders have inevitably talked about the use of narrative skills and their importance in the context of the needs of their companies to manage through this pandemic.

The pandemic resulted in a recession in the UK in July 2020, with the potential of a double-dip recession as recoveries made over the summer months stalled to a halt in the fall (Inman, 2020). The UK economy has been recovering slowly, but still remains 7.9% smaller than it was in April 2020 (ONS, 2020). Of the G7 nations, the size of the UK economy as measured by its GDP, has experienced the largest cumulative drop in the first three quarters of 2020. Employment rates have been falling, with unemployment (all aged 16+) rising to 4.9% by October 2020 (ONS- Labour Force Survey, 2020).

The UK economy is comprised of approximately 5.9 million private sector businesses (Gov.uk, 2019), with the highest proportion of businesses being classed as small (0 to 49 employees). Where only 0.1% of the total business population constitutes large business, this small proportion accounts for the highest amount of turnover (£2 trillion) and makes a major contribution to employment (10.9 million) (see Figure 1).

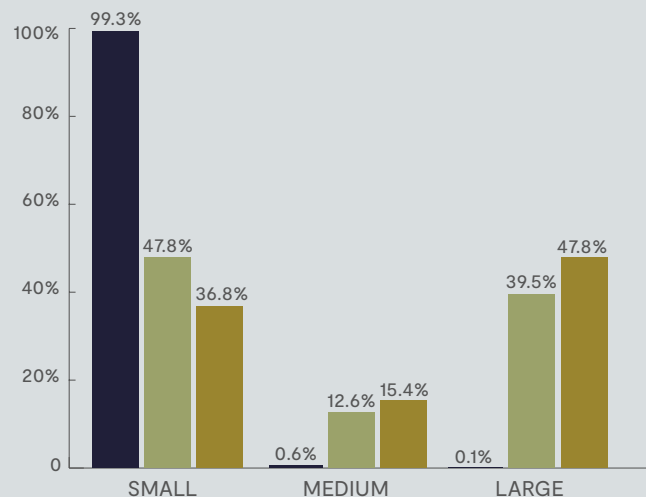


Figure 3: Contribution of different sized businesses to total population, employment and turnover, start of 2019;

Source: <https://www.gov.uk/government/publications/business-population-estimates-2019/business-population-estimates-for-the-uk-and-regions-2019-stat>

The UK economy comprises a wide range of different sectors, whose activities and the businesses that comprise them, have evolved over time. These shifts in patterns are driven by both supply-side forces such as technological progress, and demand-side forces such as changing consumer habits (BIS, 2012). Where sectors and its accompanying analysis provide a useful, and simple tool for policy development, there is a level of nuance that is missing, particularly evident in the case of changing or newly emerging sectors. That said, it is important to have a sense of the dominant sectors in the UK, and who the big employers are when thinking about skills formation, as policy interventions have ranged from the more sectoral focused, those that can be considered as ‘horizontal’ (those policies which aim to address economy-wide issues) (BIS, 2012, p.6). The services sector makes up approximately 80% of the UK GDP (ONS, 2019), and in the financial year ending 2018, it was the best-performing sector of the UK economy. This sector comprises many industries, including but not limited to finance and business services, and consumer-focused industries. Manufacturing and production contribute around 21% to the GDP, with agriculture at around 0.6 % (ONS, 2019).

This report has chosen to focus on large business in the UK, given their high employment rates to understand the development and need of key skills from young graduates. In particular, this report has focused on understanding these key skills requirements and their development and deployment of these skills from FTSE100 companies. The FTSE100 broadly consists of the largest 100 qualifying UK companies (based on their full market value). Many of these companies are internationally focused companies, and fluctuations can be seen on the list based on their full market value. It is also important to note that there is also a FTSE 250 index, which includes the next largest 250 companies after the FTSE100. The FTSE100 companies represent a diverse set of industry across all the key sectors of the UK economy. The table below shows the list of current FTSE100 companies (as of 18 December 2020).

Table 1: List of FTSE100 companies and the associated industry sector as of December 2020.

Company	FTSE Industry Classification Benchmark sector	Company	FTSE Industry Classification Benchmark sector
3i	Financial Services	BP	Oil & Gas Producers
Admiral Group	Nonlife Insurance	British American Tobacco	Tobacco
Anglo American plc	Mining	British Land	Real Estate Investment Trusts
Antofagasta	Mining	BT Group	Fixed Line Telecommunications
Ashtead Group	Support Services	Bunzl	Support Services
Associated British Foods	Food Producers	Burberry	Personal Goods
AstraZeneca	Pharmaceuticals & Biotechnology	Coca-Cola HBC	Beverages
Auto Trader Group	Media	Compass Group	Support Services
Avast	Software and Computer Services	CRH plc	Construction & Materials
Aveva	Software & Computer Services	Croda International	Chemicals
Aviva	Life Insurance	DCC plc	Support Services
B&M	Retailers	Diageo	Beverages
BAE Systems	Aerospace & Defence	Evraz	Industrial Metals & Mining
Barclays	Banks	Experian	Support Services
Barratt Developments	Household Goods & Home Construction	Ferguson plc	Support Services
Berkeley Group Holdings	Household Goods & Home Construction	Flutter Entertainment	Travel & Leisure
BHP	Mining	Fresnillo	Mining

continued...

Company	FTSE Industry Classification Benchmark sector
GlaxoSmithKline	Pharmaceuticals & Biotechnology
Glencore	Mining
GVC Holdings	Travel and Leisure
Halma	Electronic & Electrical Equipment
Hargreaves Lansdown	Financial Services
HSBC	Banks
Imperial Brands	Tobacco
Informa	Media
InterContinental Hotels Group	Travel & Leisure
Intermediate Capital Group	Investment Services
International Airlines Group	Travel & Leisure
Intertek	Support Services
JD Sports	General Retailers
Johnson Matthey	Chemicals
Just Eat Takeaway	Software and Computer Services
Kingfisher	Retailers
Land Securities	Real Estate Investment Trusts
Legal & General	Life Insurance
Lloyds Banking Group	Banks
London Stock Exchange Group	Financial Services
M&G	Asset Managers
Melrose Industries	Automobiles & Parts
Mondi	Forestry & Paper
Morrisons	Food & Drug Retailers
National Grid plc	Gas, Water & Multi-utilities
NatWest Group	Banks
Next plc	General Retailers
Ocado	Food & Drug Retailers
Pearson plc	Media
Pennon Group	Water
Pershing Square Holdings	Financial Services
Persimmon plc	Household Goods & Home Construction

Company	FTSE Industry Classification Benchmark sector
Polymetal International	Precious Metals and Mining
Prudential plc	Life Insurance
Reckitt Benckiser	Household Goods & Home Construction
RELX	Media
Rentokil Initial	Support Services
Rio Tinto	Mining
Rightmove	Media
Rolls-Royce Holdings	Aerospace & Defence
Royal Dutch Shell	Oil & Gas Producers
RSA Insurance Group	Nonlife Insurance
Sage Group	Software & Computer Services
Sainsbury's	Food & Drug Retailers
Schroders	Financial Services
Scottish Mortgage Investment Trust	Equity Investment Instruments
Segro	Real Estate Investment Trusts
Severn Trent	Gas, Water & Multi-utilities
Smith & Nephew	Health Care Equipment & Services
DS Smith	General Industrials
Smiths Group	General Industrials
Smurfit Kappa	General Industrials
Spirax-Sarco Engineering	Industrial Engineering
SSE plc	Electricity
Standard Chartered	Banks
Standard Life Aberdeen	Financial Services
St. James's Place plc	Life Insurance
Taylor Wimpey	Household Goods & Home Construction
Tesco	Food & Drug Retailers
Unilever	Personal Goods
United Utilities	Gas, Water & Multi-utilities
Vodafone Group	Mobile Telecommunications
Whitbread	Retail hospitality
WPP plc	Media

Diversity in FTSE100 companies

There has been an increasing emphasis on the fact that the boardrooms of the UK's leading companies are not reflective of the ethnic diversity of the wider population that they seek to serve. This has been driven by many government initiatives, the most recent of which that have received the most traction include the Davies Review and the Parker Review (2017). The Parker Review recognised that where significant progress had been made to increase gender diversity in UK Boardrooms (ibid, p.25), there was major work to be done to improve ethnic diversity to move closer to a workforce that more closely reflected the diversity of the changing population (ibid, p.27). The Parker Review set forth ambitious targets for corporate Britain, specifically FTSE100 companies of:

- **At least one (just one) non-white Director by 2021 for the FTSE100 companies and**
- **At least one non-white Director by 2021 for FTSE250 companies**

This report also called for a pipeline of talent to be cultivated to allow for 'better representation' (ibid) in years beyond those set in these targets, and asked companies to be more transparent about their diversity policies and reporting. In an update and follow up to these ambitious calls, the Parker Review Steering Committee published a report (2020) that included analysis from a survey of FTSE350. Surveys were sent to all FTSE100 and FTSE250 companies, and the FTSE100 companies had a higher degree of engagement with 96 out of 100 responding to the surveys. (203 out of 250 for FTSE250)

83 companies that were part of FTSE100, and 173 companies in the FTSE250 responded with sufficient data to disclose ethnicity and gender data. In their analysis of the FTSE350 companies that provided sufficient data (N=256), the steering committee found that:

Ethnicity

1. 150 companies of 256 (59%) did not meet the target of having at least one Director of colour on their Board. Less ethnic diversity was observed in the FTSE250 companies
 - a. FTSE100: 37% of the companies did not meet the target
 - b. FTSE250: 69% of the companies did not meet the target
2. Of the total respondents in the pool, there were 178 directors of colour in the FTSE350. 5 of these Directors sat across multiple Boards in the FTSE350.
 - a. FTSE100: 98 directors of colour
 - b. FTSE250: 80 directors of colour
3. Across the 256 FTSE350 companies surveyed, only 15 directors of colour occupy the position of Chair or CEO
 - a. 6 CEOs or Chairs of colour are in the FTSE100. This was identified as a potential 'step backwards' (p.22) as in previous analyses from 2017, there were 9 CEOs of colour. However, there were some companies that did not respond, and so this number may be flat.
 - b. 9 CEOs or Chairs of colour are in the FTSE250
4. Where there are directors of colour, they tend to be across a small concentration of companies that make the FTSE350 (8 companies accounted for 25% of directors of colour)

Gender

1. Of the 178 directors of colour identified in the FTSE350 above:

- a. 41 of 98 positions are held by women of colour in FTSE100 companies
- b. 36 of 80 positions are held by women of colour in FTSE250 companies

Of the FTSE100 companies surveyed:

52 of the 100 companies 'MET' the Parker Review target of having least one non-white director on their board.

Of the FTSE 250 companies surveyed:

54 of the 250 companies 'MET' the Parker Review target of having least one non-white director on their board.



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