

JUNE
2021

STORYCRAFT

The importance of narrative and narrative skills in business

SUMMARY VERSION

Dr James Robson, Dr Ben Holgate, Dr Ashmita Randhawa



Arts and
Humanities
Research Council





“ Narrative...
pervades
everything.”

FTSE100 Chair

”

This short report is a summary of the findings from ‘Storycraft: the importance of narrative and narrative skills in business’ (Robson, Holgate, Randhawa, 2021). Please refer to the full report for a deeper discussion of narrative and narrative skills in business, available on the Oxford University Centre for Skills, Knowledge, and Organisational Performance’s (SKOPE) [website](#).

This research project was funded by the Arts and Humanities Research Council, part of UK Research and Innovation, and we are extremely grateful for that support.

We would like to thank all the business leaders who participated in this study. Without them and their valuable insights, this report would not have been possible.

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

STORYCRAFT.

The importance of narrative and narrative skills in business.

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.

This research project about the role of narrative in business was undertaken at an inflection point in history. The interviews occurred during the first year of the COVID-19 pandemic from September to November 2020, via online video calls. The 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, the 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 exists in action rather than as 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.

continued...

STORYCRAFT.

The importance of narrative and narrative skills in business. (continued)

- **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 and social media so that they can continuously refine their messages as required.
- **Diversity is integral to narrative** on two levels. First, in a multicultural society like the UK even an internal narrative for domestic employees must appeal to people from different cultural, ethnic, gender, linguistic, religious, and educational backgrounds. 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, but narrative should also be taught across STEM** (Science, Technology, Education, and Mathematics) disciplines as well and the Arts and Humanities should not be seen as having a monopoly on narrative skills. The consensus among business leaders interviewed for this project is that the education system in England – at secondary and tertiary levels – is 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 subjects too early. Instead, they argue that the education system should encourage and support students to undertake multidisciplinary courses of study, because business problems require multidisciplinary solutions.
- **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.

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

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.”

“
Narrative
creates
purpose.”

FTSE100 CEO

”

“ Stories are things that are much more persuasive for people.

FTSE100 CEO

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.

”

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.”

“ You can drive change through narrative.

FTSE100 CEO

”

What makes a successful narrative?

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:

- authentic, truthful, and based on facts;
- emotional, personal, and resonating with the target audience(s);
- simple, consistent, and coherent;
- memorable;
- aspirational and actionable;
- strategically structured and carefully crafted; and
- 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.

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.

“ What makes a good story? The ability to ...make a clear argument...to make it simple so that people can catch it.

FTSE100 CEO

”

“
You have to
work hard
at making
a narrative
engaging...
”

FTSE100 CEO

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.”

“
Narrative
structure
is critical.
”

FTSE100 Chair

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.

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.

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

FTSE100 Chair

“ Good storytellers come from all sorts of backgrounds.

FTSE100 Chair

”

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.

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.”

“ Narrative skills are all about communication. You can have the best brain in the world... but if they can’t communicate then they are half as effective as they could be.

FTSE100 CEO

”

Narrative Skills Framework

Business leaders highlighted a specific and distinct skillset associated with narrative. They now consider these narrative skills to be an essential part of business and particularly value them in their employees. Based on these findings, this research 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

“
We don't hire
a group of
people who
do narrative
and another
group who
do equations;
we hire
people who
can do both.

FTSE100 Chair

”

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 specialist subject 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, 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.



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



Arts and
Humanities
Research Council

