



Using Stories to Spark Organizational Change

By Stephen Denning

It was near the end of 1998 and the team leader had a problem. He was heading a group of World Bank staff in Tananarive, the capital of the African island of Madagascar, in a comprehensive review of the public expenditures in that country. The work was being done in collaboration with the government of Madagascar and a number of the other national and international partners.

*Now he found himself at the center of a mounting controversy over the introduction of a value added tax in Madagascar. The purpose of introducing the tax was to have a single tax to replace a number of other individual taxes that had become very cumbersome to administer and ineffective in raising revenue, and so ease the administrative burdens on the government of Madagascar, while safeguarding and enhancing public revenue. The controversy concerned whether medicines should be exempted from the value added tax. Some were in favor of making an exception in order to advance the cause of health care in Madagascar, particularly for the poor. Others were concerned about making **any** exception from across-the-board implementation, since once one exemption was allowed, others were bound to appear, and the implementation of the tax would soon become a nightmare, instead of a simplification, and even more complicated than the current patchwork of taxes that it was replacing. The controversy was becoming steadily more heated.*

The team leader was a seasoned professional with many years of experience in the field, and had seen other schemes for simplifying public taxation founder through the granting of such exemptions. He was therefore inclined to side with those arguing against the exemption, but as the controversy gathered momentum, he could also see that the debate around the issue could grow to the point where it might jeopardize the success of the entire public expenditure review.

What typically has happened in the past in such a situation, is that the team leader would discuss the issue and try to persuade the participants in the review of the wisdom of his viewpoint, failing persuasion, he would return to the World Bank headquarters in Washington, D.C. and consult with colleagues and supervisors about the issue. He would eventually get back to the other participants of the review with the World Bank's official "position" on the issue, in the hope that this would resolve the controversy. Often such official "positions" merely set off further controversy. This could last for months or even years, undermining the spirit of collaboration that is essential for effective public expenditure management.

In this instance, as a result of the knowledge management program under way in the World Bank, what actually happened was quite different. From Tananarive, the task team leader sent an electronic message to his colleagues in the community of practitioners inside and outside the World Bank in the area of tax administration - a community that had been built up over time to facilitate the sharing of knowledge in this domain. He asked for urgent help from the community. In particular, he asked, what was the global experience on the granting of exemptions for medicine?

Within 72 hours, the responses came to Tananarive from a variety of sources around the world, including World Bank staff members in the Djakarta field office in Indonesia, the Moscow field

office in Russia, the Middle East, the development research group, a retired World Bank staff member, and a tax expert in the University of Toronto. From these various responses, the team leader could see that the weight of international experience was in favor of granting of an exemption for medicines. So he was able, within a matter of days, to go back to the other participants in the review, lay the international experience on the table and so resolve the issue. As a result, an exception was granted for medicines, and the public expenditure review was completed in a collaborative fashion.

Knowledge management does not stop there. Now that the organization has realized that it has learnt something about the design and implementation of a value added tax, specifically how to approach the issue of exemptions, that experience can be captured, edited for re-use and placed in the World Bank's knowledge base, so that staff can get access to it through the World Wide Web.

And the vision is that this know-how can be made available externally through the World Wide Web, so that anyone anywhere will be able to log on and get answers to questions like this on which the World Bank has some explicit know-how, as well as on any of the other myriad subjects on which we have managed to assemble some expertise.

The Necessity of Change

This is just one of the stories that have been used in the World Bank to help explain and catalyze support for introducing a large scale knowledge management program into the organization.

Much has been written on how stories have been used to celebrate and strengthen an existing culture. Stories provide continuity in our lives, conveying a sense of where we have come from, our history and our heritage. What is now being learnt is that stories can also be powerful tools to **change** organizations, as well as to preserve them.

This realization comes at a particularly useful time for many large organizations - most of which are facing the inevitability of undertaking major change if they are to survive in a rapidly changing marketplace, yet finding it difficult to implement such change in a consensual manner. Indeed, the paradox facing these organizations is that major change is irresistible, but the organizations themselves often seem almost immovable.

Many of the changes that are being considered by large organizations as they struggle to cope with bewildering shifts in the business environment appear initially to employees to be complex, difficult, disruptive, strange and counter-intuitive. The new cultures that accompany major changes often involve concepts, attitudes, and skills that are not understood in the first place, nor accepted if understood. There is even a growing pessimism as to whether it is possible to get genuine acceptance of major change at all. Some analysts recommend that organizations either go through painful periods of coercive persuasion, or start with new populations of employees and managers who hold different assumptions in the first place. The unattractiveness and inefficiency of these practices - essentially one of telling employees to "comply or say goodbye" - is an additional stimulus to use more efficient and effective ways of introducing major change in organizations.¹

The Use of Stories to Change Organizations

What is being learnt is that storytelling can assist large numbers of managers and employees in understanding complex and difficult changes. Stories enable a leap in comprehension so that the audience intuitively grasps **what** the change involves, **why** it might be desirable as well as pointing to **how** an organization or community might change. This can occur much more

rapidly and easily than by providing detailed abstract and analytical information about the proposed changes - the typical approach to introducing such changes.

A story like the example of Madagascar can have an impact by catalyzing understanding of what it would be like to be able to share knowledge quickly, easily and seamlessly, and in the process, both explain the concept of knowledge management and build up support for implementation.

Stories enable listeners to extrapolate from a scenario in one context - Madagascar - to what might be involved in implementing the change in the analogous context of the listeners' own environments. The story enables them to grasp the idea of a community of practitioners and the function of a knowledge base, not only very simply and quickly, but also in a non-threatening way. In effect, it invites them to see analogies from their own backgrounds, their own contexts, and their own fields of expertise.

A Comparison with Abstract Definitions

Compare stories to abstract definitions as a way of introducing a complex change concept like knowledge management. Here is the definition of knowledge management from one of the world's best web-sites on the topic:

Knowledge Management caters to the critical issues of organizational adaptation, survival and competence in face of increasingly discontinuous change... Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings.²

Impeccably comprehensive, and profound in its implications, the definition has only one problem, and it is a serious one. The definition is unintelligible except to someone who already understands the subject. The definition is not wrong. It is rather that one has to know the topic in depth before one can realize why it might be right. Even after studying the definition for some time, an experienced practitioner needs a considerable mental effort just to comprehend it. As an answer to the question as to what is knowledge management, it could appear to confirm the skeptic's worst fears that the concept of knowledge management is hopelessly complex and confused and in the end irrelevant.

Efforts to simplify often result in a definition that is stripped of content. For instance, one might define knowledge management more simply as: *Knowledge management is the strategy and processes to enable the creation and flow of relevant knowledge throughout the business to create organizational, customer and consumer value.³*

The definition looks simple, but it begs the question of what strategy and processes are needed to create knowledge and make it flow throughout the business, or how it is different from what is currently happening in the organization. It is not very helpful to anyone who does not already know what that strategy and those processes might be. Nor is it very persuasive to anyone who is not already convinced of the worth of knowledge management. With skeptical listeners, such a definition can give rise to a series of sharp-edged analytical questions as to what would be different about the new approach, why change should be introduced, or how it might be feasible.

By contrast, the story of the task team leader in Madagascar is readily comprehensible:

In late 1998, a task team leader, while in Madagascar, was able, within a couple of days, to get

expert advice from a community of his colleagues in order to solve a problem with a client...

The explicit story is relatively simple and accessible. If the listener understands the context of what it is like to be a task team leader in a town like Tananarive, needing the answer to a complex question, and is able to extrapolate this experience across other organizations and other contexts, then the gist of knowledge sharing can be transmitted more rapidly and efficiently than in grappling with a logically accurate, abstract definition.

This re-creation of the idea of knowledge management by analogy from a story can happen if the story stimulates the listeners to think actively about the implications: *Imagine if we were able to get answers to questions like this in such an agile fashion! Imagine if we could share this expertise on the web with all our clients! Imagine what kind of organization we could become!* When the story does its job, the listeners' minds race ahead, to imagine the further implications of elaborating the same idea in other contexts, more intimately known to the listeners. In this way, through extrapolation from the anecdote, the re-creation of the idea of knowledge management can be successfully brought to birth, with the concept of it planted in listeners' minds, not as a vague abstract inert thing, but an idea that is pulsing, kicking, breathing, exciting - and alive.

Often the changes that need to be implemented in large organizations are complicated, having many dimensions and facets. Not all of them may be fully understood when management embarks on the change process. The dilemma for leaders in such situations is how to mobilize enthusiasm for a complex idea that even they only partially understand. Often the attempt to explain the idea can kill enthusiasm before implementation even begins.

How Stories Work to Catalyze Change

Of course, storytelling is not a panacea for organizational change, nor is it a substitute for changes in strategy, programs, budgets, incentives, personnel, measurement and all the many actions needed over a period of years to transform a large organization. Storytelling is, however, a tool that can be used to elicit decisions to implement such measures in the first place. It can help the instigator of change communicate the change idea at any level. It can assist in mobilizing large numbers of employees, including entrenched managers, to support changes that will initially seem strange and threatening.

There are a number of reasons why stories can be effective to change organizations.

(a) **Storytelling is natural and easy.** The ability to tell and follow narrative is a capacity that happens at such an early age - around the age of two or three years of age - that one is tempted to call the capability innate, or at least a natural, capacity⁴. By contrast, abstract analysis is not something that we do naturally. It is something that we have to be trained to do, through many years of schooling. For most of us, it emerges as burdensome work. It may be excellent mental exercise and good for self-improvement. But except for a few unusual people, who like living in an inert world of non-living things, the experience makes us tired and weary, as compared to listening to stories which most of us experience as invigorating and refreshing and energizing. We find the telling of stories inherently pleasurable. Stories invite the listener to visualize a different world, and in the imagining, to add value to the activity. The shared imagining of the teller and listener creates a common space. As the storyteller watches the reactions of the listeners, he instinctively builds on and emphasizes the elements that are resonating with the listeners, thereby encouraging the phenomenon of co-creation. The audience senses that the storyteller is interacting with them, and they respond to it with more reactions. The phenomenon is natural and spontaneous and pleasurable.

(b) **Stories show the connections between things:** A good story holds disparate elements together long enough to energize and guide action, plausibly enough to allow people to make retrospective sense of whatever happens, and engagingly enough that others will

contribute their own inputs in the interest of sense-making⁵.

(c) **Stories help cope with complexity:** The world is a complex place. Despite the impression we have often been given in school, simple linear phenomena are rare in our world. Non-linear phenomena are everywhere. It is only in the last several decades that scientists have been discovering this reality⁶. How then has the human race coped with such complexity for thousands of years? One of the early ways of coping was by personifying complex events, so that we expect the same non-linear behavior that we expect with persons. The Greeks did it with their gods. The practice survives today in the naming of hurricanes by first names, e.g. Hurricane Floyd, to reflect the unpredictable path that they wend through the Caribbean. Another of the answers is the use of stories. Stories provide a simple way that has been used since time immemorial to communicate the complexity of the world. Modern corporations, and the changes that are needed in them, are complicated entities. People in them can understand and make sense of what is going on by telling stories to each other.

(d) **Stories bypass defense mechanisms:** One of the attractions of a story is that people can't always see where a good story is heading. A story is all soft edges. People find a story hard to categorize, particularly if it is unfamiliar. People's standard analytical defenses are thus usually in neutral during the telling of a new story. The mind is not critiquing it, but following it, and projecting on to it. This enables a more participatory spirit towards understanding what is involved in it, than if listeners are hearing an analytic presentation where they have their critical apparatus at the ready, to dissect, analyze and appraise the proposed change. In the case of a story, the listeners are not analyzing it. They are living it. The mindset is fundamentally different.

(e) **Stories are energizing:** Analytic, abstract, step-by-step explanations are often tiring, which is the opposite of what the instigator of change in an organization wants. By contrast, when the listener discovers the implicit idea in a story, energy is generated. Interest. Excitement. Enthusiasm. All the listener has to do is join the dots. Suddenly a whole new set of relationships exists in the mind. Connections are established. As in nuclear fusion, new energy is generated.

(f) **Stories can enhance or change perceptions:** While every creative idea must be logical in *hindsight* (otherwise we could not appreciate its value), this doesn't mean that the idea has to be logical in *foresight*, or that the communication of the idea has to be by logical persuasion of its merits. In fact, if the idea is big, bold, and different it is going - initially - to look very *illogical* because of the perceptual fields of the listeners. A story is thus a way of making a strange new idea familiar and comprehensible and acceptable to a potentially resistant audience.

(g) **Stories are easy to remember:** Stories are mnemonics that enable people to reconstruct earlier complex events. Whereas *hindsight* reconstructs clear-cut sequences that lead inevitably to an observed outcome, the editing necessary to construct a tight sequence is substantial. In a story, the narrator provides the causal sequence. Once the listeners grasp this sequence, they can make sense of a wide range of phenomena and events by drawing on their experience and tacit understanding.

(h) **Stories are inherently non-adversarial:** While it is possible to listen to a story in an adversarial mode by questioning the facts and querying the logic of the plot, it is not natural. The very words, "let me tell you a story," elicit our collaboration in ways that go back into our unwritten past. The natural approach to listening to a story is to go along with the storyteller and see where the story leads. By contrast, when one is confronted with an abstract proposition, we tend instinctively to accept or reject it by how it fits with our pre-existing conceptual schema. We do not instinctively try to understand the assumptions on which it rests. We start playing adversarial ping-pong, raising an objection, offering a qualification, suggesting an amendment, and if the original speaker responds in kind, we are, before we know it, into an argument where positions are likely to get more and more entrenched as the discussion goes on.

(i) **Stories are inherently non-hierarchical:** Another feature of narrative that make them peculiarly relevant and appropriate for the emerging knowledge economy is their democratic foundation, by comparison with analytical arguments.

Whereas the rational paradigm tends to imply a hierarchical system in which some are qualified

to judge and others are expected to follow, the narrative paradigm is less stratified. It acknowledges that there are key storytellers and storymakers, but these hierarchies have only modest effects because all people have the capacity to make rational judgements about stories. In other words, because I am basically a storyteller, just like everyone else, and because I use stories to determine, justify, and guide the storyline that I call my life, whenever I judge any facts of any communication, I will ask, first, does it cohere, and second, does it ring true⁷?

(j) **Stories engage our feelings:** Stories have the inherent capacity to engage our emotions and get to deep meaning, because stories are in their nature about the irregularities in our lives, things that catch our attention as being different from what is expected, and hence arouse our curiosity, or even fear. The regularities in our lives attract little attention. They are boring. They are the background noise of our lives and do not constitute the subject matter for stories, except when we discover a new regularity, which in itself is unexpected and hence irregular. It is the irregularities that attract our attention: they operate as a potential threat to our capacity to stay in control of our lives, as well as an incentive to understand them so as to be able to have a say in our future. As a result, stories, in addition to their cognitive dimension for understanding the irregularities, tend to engage our emotions to the extent that we perceive our well-being and safety to be at risk⁸.

How Stories Work: Two Stories, Not One

Stories aimed at eliciting change in organizations do not achieve their impact by communicating the information contained in the explicit story. Thus, I do not tell the story of Madagascar tax administration because I want to inform people about the facts of the tax administration in Madagascar. These facts are essentially irrelevant to my purpose, except as a pretext for getting the audience to see that knowledge sharing across organizational boundaries is not only a real possibility, but also that it could be tremendously valuable for the organization in which these audiences all work.

There are, in effect, two stories that the storyteller is trying to generate in the listener. One is the explicit story that the listener hears coming from the lips of the storyteller - what happened in tax administration in Madagascar. The other - and by far the more important - is a story that the listeners themselves will invent - a new story of how something similar to what occurred in Madagascar, could occur in the listeners' own lives and work environments that will respond to the specific features of their context, their problems, their hopes, and their aspirations. This second story is a creation of the listeners and cannot even be imagined by the storyteller, who has no access to the necessary inputs that are in the respective heads of the listeners.

And the inputs are different for every listener. Each listener comes to the change situation with a slightly different take on the organization, on a slightly different set of problems, with a slightly different set of hopes and dreams for the future. If the springboard does its work properly, then the story that the listeners invent will be very similar to the idea that the storyteller would like to elicit, and there will be substantial overlap between the slightly different stories that the listeners invent. There is a strong likelihood that the listeners will believe in the stories that they create, because it is they who have invented them. Even better, because the stories are their own idea, they are likely to head off and tell the stories to others, and so persuade them that the change idea is a good one, and start to enact the stories in their own work environments. The power of using a story to elicit change therefore comes not from the story itself, but from the reaction that it elicits in the minds of the listeners. It is the inputs that the listeners contribute that make the difference between a story that successfully catalyzes change, and the mere transmittal of information.

The value of a story to elicit change is thus only as great as the thoughts in the audience that it elicits, the insights that it inspires and the positive energy it generates in the audience. If it is fully successful, it will trigger in the minds of the audience a story which creates a new sense of

meaning for the listeners, a new organization-life-story.

Important design elements in crafting a story that is likely to elicit change include:

The story must be understandable to the audience it is being told to. The predicament must be familiar to the particular audience. In the World Bank, where the work is done by professionals in multi-disciplinary teams in the field, it is the leader of such a team who constitutes the natural protagonist for a story explaining change. The protagonist should thus be in a familiar predicament, most probably, the very predicament that the change proposal is meant to solve. For instance, in Madagascar, the predicament was that of a task team leader who didn't have, and urgently needed, the know-how needed to satisfy the particular client - a familiar predicament in our organization and the very one that knowledge management is intended to solve. It is through empathy for the predicament of the protagonist that the audience's emotions are engaged. This is vital if the story is to get to a deeper level of meaning. For the truly effective story, interest is not enough. The story must grab the hearts and capture the imagination of the audience. For this to happen, the audience must feel something for the story's protagonist. In the Madagascar story, the plight of the task team leader is one that the audience in this particular organization - the World Bank - can readily identify with.

How to Craft a Story That Will Spark Change

Stories should be told from the perspective of a single protagonist. Stories with multiple protagonists are more difficult to win sympathy for than stories with a single protagonist. This is where the principles of storytelling diverge from the principles of evidence. In generating evidence, the more instances of a phenomenon one can produce, the stronger the evidence is usually regarded in support of the phenomenon. Narratives operate in the opposite fashion, because they engage the listeners' emotions through an understanding of the single protagonist's specific predicament.

The protagonist should be prototypical of the organization's business. In particular, it should reflect the core activities related to the part of the organization where the change proposal needs to take place. If it is a sales organization, the protagonist will be a salesman. If it is a manufacturing organization, the protagonist will probably be in manufacturing. In the Madagascar story, the protagonist is someone in World Bank operations - a leader of multi-disciplinary task team, since this is the prototypical employee of our organization, the principal way in which the work gets done, and the main place where the knowledge sharing idea will either live or die.

The story should have a degree of strangeness or incongruity for the listeners. The story must, in a sense, violate the listener's perceptual frameworks in some way. The violation interrupts the thought process of the listeners either because there is a new event that is not expected, or because an expected event that does not happen. If the story is a cliché for this audience, they will neither listen nor learn. There must be, in effect, the shock of new information - divergent opinion, unpredictable data, new characters, unexpected relationships - on those to whom it is expressed. For instance, in the Madagascar story, the audience finds it unexpected that the task team leader could contact many people all around the world and get, within a few hours, the answers to a complex technical question. It arouses their curiosity. It is the speed of getting a response from such an out-of-the-way place that creates the interest.

Stories that depart from shared norms of experience and prevailing frames in four ways: (a) the actions described are difficult, (b) the situation poses a predicament that cannot be handled in a routine manner, (c) unexpected events happen in an otherwise normal sequence of events, and (d) something about the situation is unusual in the narrator's experience. An interesting story of this sort is a threat to one's model of reality or frame, which means that interesting

stories are cues that evoke mixture of fear and curiosity. They are a pretext to update a frame, but the very novelty of their content may make it difficult to do so⁹.

The question of strangeness is always specific to the particular audience. What is new to one is commonplace to another. There is nothing new under the sun, after all, so that one doesn't need to create something totally unprecedented for it to be perceived as fresh. An in-depth understanding of that organization or community can thus help the storyteller detect what is fresh and unconventional in that setting, and judge what reception it will get in that particular organization and community.

The story must not only be strange, but also eerily familiar. If the story is too exotic, it will fail to spring the listeners to a new level of understanding of their own situations. For the story to achieve this effect, it must epitomize or embody the change idea, almost like a premonition of what the future will be like. For the story to be effective with large numbers of the audience, it must be an easy mental "step" from the facts of the springboard story to a new input into the various versions of the "organization-life-story" that the members of the audience are carrying around in their heads.

The springboard story should embody the change proposal to the fullest extent possible. If people merely apprehend reality in fragments, with a lack of understanding of the whole, and how the fragments interact as part of the whole, then little point is served. They need to reverse their starting point, and have a total vision of the context in order to subsequently separate and isolate its constituent elements, and by means of this analysis have a clearer perception of the totality. Therefore, the story should reflect as much as possible the change idea. If no such story is at hand, extrapolations to it can be considered as a way of making a story embody the change proposal more fully. If the extrapolations are being made to a true story, they should be made explicitly, to avoid any later accusation of massaging the facts.

The story should, to the extent possible, be a true story. Where the story is true, there is greater credibility that it is worth listening to. Thus, the Madagascar story is a story that actually happened. In telling it, the use of names and photos of the participants, and the specific dates when things occurred, can also enhance authenticity.

The story should be reasonably recent. The fact that the Madagascar story was fresh when it was told helped contribute to its relevance and believability.

The story should be told as simply and as briefly as possible. The Madagascar story takes about minute to tell. It does not spend time on getting the listener to know the quirks and personality of the protagonist, how he looked and felt, or the sights and sounds of Tananarive, or the smell of the tax administration building where he was working. It does not embody these tools of storytelling that are often used to immerse the listeners in the details of a story. Stories that aim at eliciting change need to be told in such a minimalist fashion that some professional storytellers might even say that they are not real stories at all. In these stories a great deal is left to the listener's imagination. Everything mentioned has a necessary function in the storyline of sharing knowledge. Speed and conciseness of style are appropriate here, because the storyteller is less interested in conveying the details of what exactly happened in Madagascar than he is in sparking new stories in the minds of the listeners about how they might implement knowledge sharing in their environments.

What not to do. As a storyteller who is aiming at eliciting organizational change through stories, one doesn't need to tell the story with the panache of a Charles Dickens or a Mark Twain. With such writers, the explicit voice of the narrator is so large and generous and conveys so much enthusiasm and gusto for life that the reader is often swept along by it, and

the stories become as real if not more real than life itself. In our context, it is more relevant to think about the minimalist stories of Raymond Carver. Remember that we are aiming to leave lots of space for the listeners to invent their own stories, and to fill in the blanks. It is not the direct, overwhelm-them-with-my-charm-and-gusto approach of a Dickens and or a Twain - or even a Proust with his subtlety - where the author is everywhere so present and visible that one inevitably ends up thinking a great deal about the authors and their personality and the way they tell the story. These writers come on so powerfully that they don't always leave much space for the reader's thoughts. Their heavy-duty technique grabs us by the lapels and compels us to look at things in a certain way that can be almost adversarial. It's hard to be neutral about these writers. This is fine for the purposes of entertainment, but it can be out of place where one is trying to foster collaboration, to get people to learn about themselves, and to co-create a new future. Here, minimalism can be more effective.

Do Stories Always Work?

Storytelling is not a panacea for eliciting change in organizations. It can only be as good as the underlying idea being conveyed. If that idea is bad, storytelling may well tend to reveal its inadequacy. But even when the underlying idea is good, there are times when storytelling is ineffective. There are occasions when the listeners simply don't "get it" at all. There are people, for instance, who have listened to my stories of knowledge sharing, and instead of "getting" the underlying idea, have instead pressed me with questions of the form: *Where is Madagascar? Why didn't the task team leader already know this? What were the taxes being replaced? What is the level of taxation in Madagascar?* When this happens, we are getting into a discussion of the *explicit* story - tax administration in Madagascar and what sort of a country it is, and how the government's economic policy responds or not to its problems and how it is in the situation that it has gotten into, and so on. These are all interesting issues, but they also indicate that the story has failed to elicit the *implicit* story, and so spring the listener to a new level of understanding of the possibilities of knowledge sharing and of the organizational change that is being envisaged. The idea of knowledge sharing has very little to do with Madagascar, or its tax system. It has everything to do with what is happening in the work environment of the individual listeners. Where the listeners raise such questions, it means that the story has transported them to Madagascar and then left them there, stranded. They have failed to make the return journey to their own organization, to their own environments. This can happen when they don't find the context of the story intelligible.

These occasions when storytelling fails illustrate how dependent a story is on the shared background of the audience. With those who lack this kind of background, who don't know where Madagascar is, or what sort of a country it is, or what it would be like trying to get the answer to a question on how to solve a complex problem of tax administration on the other side of the planet, or how amazing it would be to be able to get a broad spectrum of advice of knowledgeable colleagues from around the world, or how close an analogy it is to the challenges facing the listeners in their own work situation, the story could be a total failure in terms of sparking organizational change. But where an audience has this kind of understanding of the background and the context, the Madagascar story - and many others like it - have worked extraordinarily well.

The Impact of Storytelling

When a story works well with its audience, it embeds a way of looking at the world in the listeners' minds, so as to tighten its grip and deepen its roots and hence induce in their thinking a mental geography of the organization and the world with new planes of order and opportunity. In the process, an understanding of the potential of the change idea - in this case, it is knowledge sharing, but it might be any number of complex change ideas - can erupt into the collective consciousness, producing a sudden coalescence of vision in the minds of listeners. The provenance of these thoughts - in this instance, the story - is not even very

important. What matters is the fact that they happen and their inherent quality and where they are headed next. The spark that starts the fire is less significant than the conflagration that then takes place.

Stephen Denning is Program Director, Knowledge Management, World Bank, Washington D.C. The views expressed in this article are his own and do not necessarily reflect those of the World Bank. Additional background on what is knowledge management by the same author may be found at www.apqc.org/free/whitepapers/index.htm.

Footnotes:

¹ Edgar H. Schein, (1996) *Organizational Learning as Cognitive Re-definition: Coercive Persuasion Revisited*, MIT Sloan School of Management. (Working paper available at <http://mitsloan.mit.edu/>)

² At www.brint.com

³ Definition by David Smith, Unilever, cited at www.knowledge-nurture.com

⁴ Jerome Brunner, *Culture and Human Development: A New Look*, in *Human Development* (1990) volume 33: pages 344-355.

⁵ Karl Weick, *Sensemaking in Organizations*, (1995), Thousand Oaks, CA: Sage. Page 127-128. Robert Grudin, *On Dialogue* (1996). page 12.

⁶ Fritjof Capra, *The Web of Life* (1996) Fontana, London.

⁷ Karl Weick and Larry Browning, *Argument and Narration in Organizational Communication*, *Yearly Review of Management of the Journal of Management* (1986) Vol 12, No 2, 234

⁸ Jerome Brunner, *Culture and Human Development: A New Look*, in *Human Development* (1990) volume 33: pages 344-355.

⁹ Karl Weick, *Sensemaking in Organizations*, (1995), Thousand Oaks, CA: Sage. Page 127-128.

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