

Advance material from ***The Secret Language of Leadership***, a book written by Steve Denning to be published by Jossey-Bass in September 2007.

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## What's your narrative intelligence?

Narrative intelligence is the capacity to understand the world in narrative terms, to be familiar with the different components and dimensions of narratives, to know what are the different patterns of stories that exist and which are narrative patterns most likely to have what effect in which situation, and how to overcome the fundamental attribution error and understand the audience's story, and to have the capacity to navigate the quicksilver world of interacting narratives and anticipate the dynamic factors that determine how the audience will react a new story and whether a new story is likely to be generated in the mind of any particular audience by any particular communication tool.

Narrative intelligence can be seen as having several dimensions:

- Explicit understanding of the theory of how narratives work: i.e. things for which you can explain the underlying principles.
- Tacit understanding of how narratives work: i.e. things you know but can't explain what you know. (This is analogous to knowledge about how you ride a bicycle: you know how to do it, even if you can't explain the underlying principles of physics that make it possible.)
- Narrative performance skills: ability to operate in real-life situations in listening to stories, performing stories and intuiting what stories other people are living.

The following is a simple quiz through which you can explore the current state of your ***explicit understanding*** of the discipline of business narrative.

NOTE: The quiz sheds no light on your tacit understanding of narrative or your narrative performance skills.

**QUIZ TO TEST ASPECTS OF YOUR NARRATIVE INTELLIGENCE**

Indicate whether consider the following statements to be true (T) or false (F), or whether you are uncertain (U). The correct answers are given at the end, along with the reasons why they are the correct answers.

**The practice of business narrative**

1. Storytelling is a feature of every country and human culture. T F U
2. Human beings find stories easier to remember than abstractions. T F U
3. Storytelling is a rare skill in which relatively few human beings excel. T F U
4. Storytelling is a relatively rare phenomenon in business. T F U
5. The effective use of storytelling in organizations involves crafting and performing a "well-made story," with a hero or heroine, a plot, a turning point and a resolution. T F U

**Nature of persuasion**

6. The most powerful way to convince someone of something is through a story. T F U
7. Big persuasive impacts require big narratives. T F U
8. The best way to persuade a skeptical, cynical or hostile audience to change their minds is to give them compelling, rational reasons why their views are not well-founded. T F U
9. Communications are always more effective if they begin with a clear statement of what the speaker intends to say. T F U
10. Providing abstract reasons to change people minds has little or no effect on an audience that skeptical, cynical or hostile. T F U
11. The opponents of constructive change ideas usually act that way they do because they are obstinate and closed-minded. T F U
12. Once people understand the nature of cognitive biases such as the fundamental attribution error or the confirmation bias, they find it easy to overcome them. T F U

**Nature of leadership**

13. The tools of management—the right to exact obedience, to impose incentives and disincentives, to hire and fire—make it easier to inspire enthusiasm. T F U
14. You can't become a leader unless you already have charisma. T F U
15. A principal function of a leader is to tell compelling future stories. T F U
16. No one can lead who does not first acquire power. T F U
17. There is now solid evidence that those organizations that are good at storytelling have better business results than those that don't. T F U
18. Once you discover the leader deep within yourself, people automatically recognize you as a leader. T F U
19. There is now reliable evidence that using story in an organization will generate double-digit growth and double-digit reduction in turnover. T F U

**Using different types of stories**

20. "Burning platform" stories will by themselves motivate people to buy into transformational change in organizations. T F U
21. Since the rumor mill has existed in organizations since time immemorial, there's nothing you can do to stop an untrue rumor. T F U
22. Beyond establishing the enabling conditions for teamwork, such as right membership, clear goals, adequate resources and so on, there's nothing a manager can do to generate high performance teams: it's up to the team itself. T F U
23. Negative stories have no place in a presentation aimed at generating enthusiasm for a new course of action. T F U
24. A story to transmit values has to be uplifting in tone. T F U

**Navigating the world of interacting narratives**

25. The most effective thing public relations can do is to persuade the public that your organization did the right thing. T F U
26. The easiest way to brand an organization is for the organization to tell its own story. T F U

**Ethics of narrative**

27. In telling a story that purports to be true, the leaders' responsibility has been fulfilled once they've made sure that all the facts in the story are true. T F U
28. It's necessarily unethical to try to change people's minds by appealing to their feelings. T F U
29. Liars gesture less than people who are telling the truth. T F U

**ANSWERS TO THE QUIZ: THE DISCIPLINE OF BUSINESS NARRATIVE**

Except for the first two statements and the last two statements, all the statements are false.

Score 1 for every correct answer, and 0 for any "wrong" or "uncertain" answer.

High explicit understanding of narrative theory: 20+

Medium explicit understanding of narrative theory: 10-20

Embryonic explicit understanding of narrative theory: 0-9

Here are the answers—and why.

1. "Storytelling is a feature of every country and human culture." TRUE: Multiple anthropological studies show that every culture is permeated by storytelling.
2. "Human beings find stories easier to remember than abstractions." TRUE: Psychological studies show that stories are more memorable than abstract statements.
3. "Storytelling is a rare skill in which relatively few human beings excel." FALSE: Human beings master the basics of storytelling when they are young children and retain this capability throughout their lives. One has only to watch what goes in an informal social setting – a restaurant, a coffee break, a party – to see that all human beings know how to tell stories. Storytelling is an activity that is practiced incessantly by all of us. It is so pervasive that it has almost become invisible to us. We are like fish swimming in a sea of narratives.
4. "Storytelling is a relatively rare phenomenon in business." FALSE: Persuasion is 28% of GDP: McCloskey, D. D. and A. Klamer (1995). "One Quarter of GDP is Persuasion (in Rhetoric and Economic Behavior)." *American Economic Review*, Vol. 85, No. 2, 195. If storytelling is – conservatively – at least half of persuasion, then storytelling amounts to 14 percent of GNP, or more than a trillion dollars.
5. "The effective use of storytelling in organizations involves crafting and performing a 'well-made story,' with a hero or heroine, a plot, a turning point and a resolution." FALSE: Aristotle suggested that all stories have a plot, a turning point with a resolution, and are told with a lot of context. This overlooks for instance the minimalist storytelling tradition. The statement can only be "made correct" by adopting an artificial definition of story as "a well-told story" that requires the inclusion of those elements, thereby excluding many of the things that are regarded as stories in common usage.
6. "The most powerful way to learn something is through a story". FALSE: Direct experience is usually more powerful than a story.
7. "Big impacts depend on big narratives." FALSE: Some of the biggest impacts of narrative come from modest, unpretentious narratives, such as the Biblical parables, or springboard stories in organizations. Narrative is a non-linear phenomenon.
8. "The best way to persuade a skeptical, cynical or hostile audience to change their minds is to give them compelling, rational reasons why their views are not well-founded." FALSE: Many psychological studies show that, as a result of the cognitive bias known as the confirmation bias, difficult audiences are likely to be more entrenched in their viewpoint by encountering evidence showing that their beliefs are unfounded: see chapter 1 of *The Secret Language of Leadership*.
9. "Communications are always more effective if they begin with a clear statement of what the speaker intends to say." FALSE: This is generally true for a supportive audience. But for a difficult, cynical or skeptical audience, announcing what you're going to say can cause the cognitive bias known as the "confirmation bias" to kick in, so that the listeners interpret everything you say as evidence for the contrary position: see chapter 1 of *The Secret Language of Leadership*.
10. "Providing abstract reasons to change people's minds has little or no effect on an audience that is skeptical, cynical or hostile." FALSE: Many psychological studies show that, as a result of the confirmation bias, difficult audiences are likely to be more entrenched in their

viewpoint by encountering evidence showing that their beliefs are unfounded: see chapter 1 of *The Secret Language of Leadership*.

11. "Opponents of constructive change ideas in organizations act the way they do because they are obstinate and closed-minded." FALSE: This is an illustration of the cognitive bias known as the "fundamental attribution error". This is the tendency that we have as human beings to assign the cause for actions of other people to dispositions or personality-based explanations of behavior, whereas we tend to assign the causes of our own actions to the situation we are in. We tend to think: "I didn't get much done today because I got to bed late last night, whereas you didn't get much done today because you are lazy." In effect, we have an unjustified tendency to see people's actions as reflecting "the sort of people they are" rather than on the social and environmental forces that influence their actions. And the effect is accentuated the less we know about the person: see chapter 1 of *The Secret Language of Leadership*.

12. "Once people understand the nature of cognitive biases such as the fundamental attribution error or the confirmation bias, they find it easy to overcome them." FALSE: Cognitive biases are typically not removed by intellectual understanding of them: the fact that people can talk more eloquently about cognitive biases does not mean that they become less subject to them. Learning ourselves out of our biases requires repeated experience and feedback from making the same error: Dorner, D.: *The Logic of Failure*: (Basic Books, NY, 1997).

13. "The tools of management—the right to exact obedience, to impose incentives and disincentives, to hire and fire—make it easier to inspire enduring enthusiasm." FALSE: The tools of management make it easier to be a manager and compel compliance. They tend to get in the way of inspiring enduring enthusiasm for change.

14. "You can't be a leader unless you have charisma." FALSE: Charisma is generally the result of successful leadership, not the cause of it: see chapter 3 of *The Secret Language of Leadership*.

15. "Most successful leaders tell compelling stories about the future." FALSE: It's very difficult to tell compelling stories about the future. Since listeners know that the future is unpredictable, future stories typically lack credibility. It's true that leaders often tell compelling stories, but generally they're not about the future: see chapter 10 of *The Leader's Guide to Storytelling*.

16. "No one can lead who does not first acquire power." FALSE: This statement is made in "Lessons in Power: Lyndon Johnson Revealed: A Conversation with Historian Robert A. Caro" *Harvard Business Review*, April 2006. Many famous leaders like Martin Luther King, Nelson Mandela, or Gandhi became leaders without having political power: see chapter 3 of *The Secret Language of Leadership*.

17. "There is now solid evidence that those organizations that are good at storytelling have better business results than those that don't." FALSE: As of March 2007, although there is anecdotal evidence of many individual instances of storytelling with significant impacts, there are not yet any systematic studies showing that organizations that are good at storytelling have better business results overall than those who don't.

18. "Once you discover the leader deep within yourself, people automatically recognize you as a leader." FALSE: How you lead depends largely on what you say. If leaders' inner commitment to change is to have any effect, they need to communicate it compellingly to the people they aspire to lead. True, the leaders' actions will eventually speak louder than words, but in the short run, it's what leaders say—or don't say—that has the impact. The right words can have a galvanizing effect, generating enthusiasm, energy, momentum and more, while the wrong words can undermine the best intentions and kill the initiative on the spot, stone dead.

19. "There is now reliable evidence that using story in an organization will generate double-digit growth and double-digit reduction in staff turnover." FALSE: This is the kind of statement that storytelling enthusiasts tend to issue or imply. However although there is anecdotal evidence that narrative has on occasion been a factor in successful results of kind

cited, as of March 2007 there is no reliable evidence that narrative by itself has actually caused those results, or is likely to. Moreover it seems unlikely that story could cause such results, for several reasons. First, business results are caused by multiple factors: such results are unlikely to be caused by any single factor, whether story or anything else. Secondly, story is only likely to generate remarkably positive business results if it is used skillfully: unskillful use of stories is likely to be counterproductive. Third, story is more likely to serve as an amplifier or accelerator: where good things are happening in the business, skilful use of story is likely to be making the situation better; where bad things are happening, skilful use of story is likely to be making things worse. Overall, it seems likely that the use of story will lead to a similar result to that for teamwork: positive results are balanced by negative results, so that the net result from all the studies is zero: see *Leading Teams* (2004) by Richard Hackman; and, *The Leader's Guide to Storytelling*, chapter 1.

20. "Burning platform" stories will by themselves motivate people to buy into transformational change in organizations." FALSE: "Burning platform" stories are effective at getting people's attention, but not for motivating people to change: see chapter 9 of *The Secret Language of Leadership*.

21. "Since the rumor mill has existed in organizations since time immemorial, there's nothing you can do to stop an untrue rumor." FALSE: Where the rumors are false or unreasonable, it may be possible to satirize the rumor out of existence: see chapter 9 of *The Leader's Guide to Storytelling*.

22. "Beyond establishing the enabling conditions for teamwork, such as right membership, clear goals, adequate resources and so on, there's nothing a manager can do to generate high performance teams: it's up to the team itself." FALSE: Narrative can inspire teams to lift their game and reach a higher level of performance: see chapter 7 of *The Leader's Guide to Storytelling*.

23. "Negative stories have no place in a presentation aimed at generating enthusiasm for a new course of action." FALSE: Although negative stories are unlikely to stimulate desire for change, negative stories are good at getting people's attention, particularly if the subject is a matter of personal concern to the audience: see chapter 8 of *The Secret Language of Leadership*.

24. "A story to transmit values has to be uplifting in tone": FALSE: For instance, many of the Biblical parables are not uplifting in tone: see chapter 6 of *The Leader's Guide to Storytelling*.

25. "The most effective thing public relations can do is to persuade the public that your organization did the right thing." FALSE: The most effective thing that public relations can do is to tell the public the truth. Getting the truth out fully and quickly is generally the most effective way to quell controversy: see chapter 6 of *The Secret Language of Leadership*.

26. "The easiest way to brand a firm is for the firm to tell its own story." FALSE: The level of cynicism and mistrust in today's marketplace make it very difficult for a firm to credibly tell its own story. It's generally easier and more effective to induce the firm's customers to tell its story: see chapter 5 of *The Leader's Guide to Storytelling*.

27. "In telling a true story, the speaker's responsibility has been fulfilled once they've made sure that all the facts in the story are true." FALSE: It's equally important for the speaker to make sure that relevant facts are not omitted. Half-truths are a larger problem in organizations than pure falsehoods: see chapter 6 of *The Secret Language of Leadership*.

28. "It's necessarily unethical to try to change people's minds by appealing to their feelings." FALSE: The idea that it is possible to appeal to reason apart from the emotions is an illusion. Neurological studies show that feelings are tightly interwoven with reasoning in all human discourse: Phelps, E.A., *Emotion and Cognition: Insights from Studies of the Human Amygdala*, *Annual Review of Psychology*, 2006, 57, 27-53. Manipulation is the use of deception or dissembling to cause people to change their minds.

29. "Liars gesture less than people who are telling the truth." TRUE: Detection of a deception is an inexact science. But evidence suggests that liars use fewer hand movements

to illustrate their actions: Adelson, R.: "Detecting deception" American Psychological Association Online: July/August 2004, 35, 7,  
<http://www.apa.org/monitor/julaug04/detecting.html> (March 27, 2007)

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<sup>1</sup> **"A principal function of a leader is to tell compelling future stories."** FALSE: It's practically impossible to tell compelling future stories: since the future is known to be unpredictable, future stories typically lack credibility. Leaders often tell compelling stories, but generally they're not about the future: see chapter 10 of *The Leader's Guide to Storytelling*.