Storytelling and strategy: An examination of the role of stories in strategy communication

BY

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Abstract

This thesis explores the use of stories in strategy communication. Based on the premise that stories are powerful communication tools, and that communication is integral to strategy, the extent to which stories are used in strategy communication, and why stories are used to communicate strategy, are examined.

This thesis fits within the body of research on both narrative and stories in strategy, and strategy communication. The potential of stories in strategy has been considered previously, while language is increasingly seen as key to strategy, playing an integral role in both strategy communication and creation. However, much remains unknown about the role of stories in strategy communication. This thesis aims to contribute further knowledge in both these fields, developing original insights into the use and role of stories in strategy communication.

This thesis takes a two-stage, iterative interpretivist methodology, firstly by analysing annual reports to assess the extent to which stories are used to communicate strategy. Strategy creators, communicators and interpreters are then interviewed, to understand why stories are used in strategy communication.

The findings of this research, as an exploratory look at stories in strategy, provide insight into how and why organisations communicate strategy, comment on the extent to which stories are evident in strategy, and discuss motivations and influences that may underlie the use of stories to communicate strategy. This research provides a basis for further work do be done in the field of stories in strategy, and encourages researchers to further consider the role of stories not only in the communication of strategy, but also its creation. This research also draws heavily on the work of Barry and Elmes, and concludes by affirming Barry and Elmes notion that strategy is a prominent, integral, and powerful story organisations tell.

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"'Once upon a time'. Four words. I don't need to say anything more, and yet you know at once what it is you're about to hear. You may not know the precise contents. You may not recognize the specific characters. You may have little notion of the exact action that is about to unfold. But you are ready all the same to take on all of these unknowns, the uncertainties, the ambiguities. You are ready to succumb to the world of the story"   *(Maria Konnikova, 2012)*

Introduction

I guarantee that you remember dozens of stories. The fairy-tales you were told as children; your favourite books; perhaps the start of a great movie; the stories you tell your friends. Many of these stories may begin with the phrase 'once upon a time', others perhaps 'a long time ago in a galaxy far, far away', but they all transport us to another place etched in our memory. The fact that we can recall these stories says something about the power of storytelling. It suggests that stories are easily remembered, connect with us, and perhaps transport us from one galaxy to another.

These characteristics would imply that stories (as a powerful communication tool) are utilised extensively in business, and more specifically, in strategy, where communication is key (Balogun et al, 2014). Yet exactly where stories are used in strategy and why they are used both remain unclear, with gaps remaining the academic literature on stories in strategy. In particular, little academic literature focuses on the extent to which stories are used in the strategy process, either in the communication of strategy, or its creation. Their potential has, though, been clearly articulated (Barry and Elmes, 1997).

Guided by a recognition of the power and influence of storytelling, this Masters Thesis explores in greater depth the use of stories in strategy communication. It begins with a literature review summarising the current body of knowledge on strategy communication, the tools used to communicate strategy, and the role of stories in strategy. Then, the methodological approach to research is described in detail, inclusive of my epistemological position and the iterative approach taken to conducting research. Findings are then

presented, before the research concludes with a discussion of its practical, theoretical and methodological implications, along with the future research directions which emerged.

Chapter 1: Literature review

"Strategy work involves talk in all its forms – conversations at the water cooler, rumours and gossip about competitors, formal strategy meetings, mission and vision statements, corporate accounts, and carefully crafted press releases. Such talk is consequential for constructing, making sense of, and communicating strategy. Words, in both their spoken and their materialized forms in text, are some of the most powerful resources for making and signifying an organization's strategy" (Balogun et al, 2014, p.175).

In all forms, communication is integral to strategy (Balogun et al, 2014). Given its integral role in strategy, this literature review summarises the development of literature on strategy communication. Beginning with the original stream of strategy communication research (which focuses on the tactical function of communication) the review tracks the development of literature in this field towards the more overt role of strategy communication. Attention then turns specifically to stories in strategy, and research on the role of stories in the communication of strategy.

Research on strategy communication

Despite academia only recently acknowledging that communication is central to strategy (De Salas and Huxley, 2014), for long periods during the development of strategy literature research on strategy communication was markedly absent. As argued by Barry and Elmes in 1997, authors of strategy frameworks had virtually ignored language in strategy, while Moss and Warnaby (1998, p.133) noted the "lack of attention paid to communications issues throughout strategy literature". Further, in 2009 Jarzabkowski and Spee discussed the "curious absence" of communication research in strategy, while Ezzamel and Willmott (2008) saw the lack of strategy communication research as "a glaring omission from the study of

strategy". Yet despite such a "glaring emission", research on discourse in strategy is now steadily growing (Balogun et al, 2014), perhaps reflective on the linguistic turn in social sciences (Vaara, 2010). The following section of this literature review summarises the development of strategy communication research.

Origins of research on strategy communication

Perhaps the first notion that strategy should be communicated emerged following the development of what Mintzberg labelled the Design School of strategy. As depicted in Figure 1 and detailed by Mintzberg (1990), the Design School emphasised the split between strategy development and strategy implementation (development being the domain of top management and strategy teams, and implementation being a separate administrative, organisation-wide process). This process, of developing and then implementing strategy, is captured by Figure 1 below.

Figure 1: The Design School of strategy
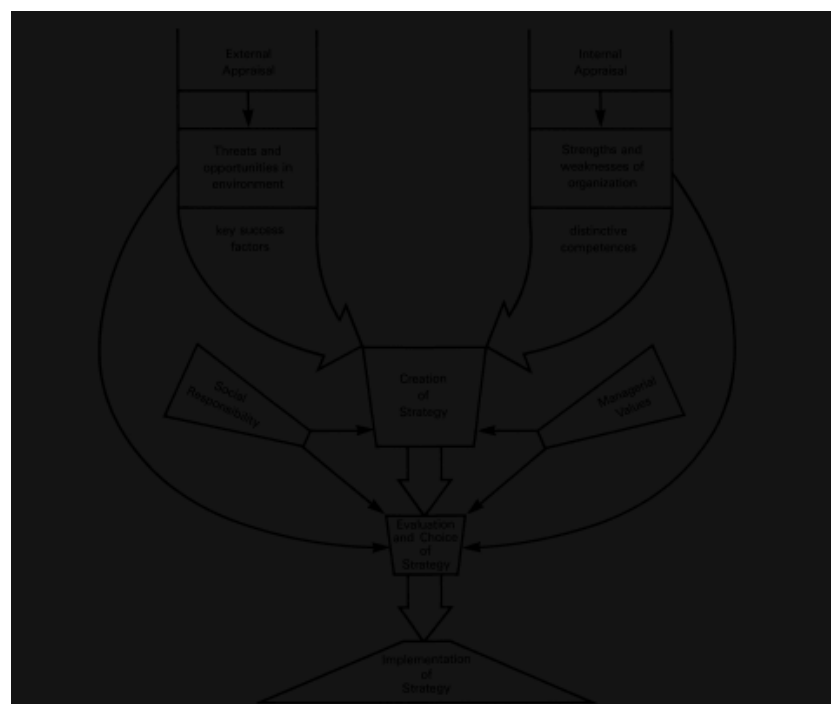
(Mintzberg, 1990, p.174)

Implicit in this model is the need to communicate strategy. As strategy development was the domain of senior leaders and strategy teams (Mintzberg, 1990), yet implementation was an organisation-wide concern, strategy must somehow be communicated from the few that

developed it to the many that must implement it. As noted by Hallahan et al (2007) in their review of strategy communication, this implicit notion formed the foundation of literature on strategy communication. Hence, based on the premise that strategy creation and strategy implementation are separate parts of the strategy process, and assuming that in order to be implemented strategy needed to be communicated, two interrelated streams of literature have emerged. One the one hand, the motivations behind why strategy needed to be communicated, and to whom, were further explored. On the other, the best method through which to communicate strategy was sought. The contributions made within these fields are discussed below.

Why strategy should be communicated

Since Alexander's (1985) "communicate, communicate, communicate" mantra, the motivations behind why strategy should be communicated have been explored in depth. Following the separation between strategy creation and strategy implementation, research primarily focused on the communication of strategy within an organisation.

For example, Moss and Warnaby (2000) saw the motivations underlying the communication of strategy within organisations as: the communication, understanding and acceptance of leadership's strategic vision; building a consensus; facilitating understanding between different factions and uniting potentially disparate strands of activity; implementing cultural change; building trust; and facilitating the creation of effective organisational structures. Kaplan and Norton (2000) state that organisations should communicate strategy to help their employees make sense of strategy, and the context it lies within. And de Salas and Huxley (2014) discuss why strategy should be communicated to employees or "do-ers" within an organisation, to ensure strategy becomes tangible, is holistically understood, and facilitates action.

Less academic attention has been dedicated to why strategy should be communicated to external stakeholders, perhaps driven by the assumption that strategy is an asset which should remain confidential. What little research that has been conducted has focused on three related areas: Resource acquisition generally, the acquisition of financial capital, and public relations. As described by Santema et al (2005) and Martens et al (2007), motivations behind communicating strategy to external stakeholders include improving an organisations

ability to acquire resources, providing better access to funding, lowering the cost of capital and enhancing public image.

How strategy is communicated

In addition to research on why strategy was communicated, academics have explored the ideal method through which strategy should be communicated.

One such article that explores the strategy communication methods is Sarah Kaplan's 2011 analysis of PowerPoint as a strategy communication mechanism. Kaplan (2011) conducts an ethnographic exploration into PowerPoint presentations, a strategy communication tool that she sees as having grown to "dominate" strategy. While Kaplan's findings are detailed later in this review, for now her affirmation that PowerPoint is the prevailing means through which strategies are created and communicated in organisations, and that PowerPoint's use heavily influences strategy communication, is a key contribution to research on how strategy is communicated.

Another field of research on strategy communication, punctuated by Cummings and Angwin's 2007 Business Horizons article, explores graphically representing strategy. Termed "stratography", Cummings and Angwin (2007) present evidence highlighting that visual aids have a powerful positive impact on learning, supporting their thesis that visually communicating strategy is more effective than written / textual communication methods.

A third approach to communicating strategy, and one that has gained traction within academia, is that of the strategy map. Perhaps more prescriptive than the approach described by Cummings and Angwin, strategy maps were developed by Kaplan and Norton (2000) on the back of the popularity of the balanced scorecard as a strategic management tool. Kaplan and Norton (2000) argue that strategy maps aid an organisation in utilising resources to achieve desired results.

Lastly, a fourth emergent method discussed through which strategy can be communicated is via the use of stories. Given the value of stories as a communication tool, it seems sensible for stories to be told to communicate strategy (something which revolves around sensemaking, actions and events). Advocated by the likes of Denning (2006) and Aaker and Aaker (2016), the use of stories to communicate strategy is discussed in depth later in this review.

Constitutive role of communication in strategy

While forming the foundation of research on strategy communication, research exploring why and how strategy should be communicated constitutes only some of the literature in this field. Strategy researchers have now begun to challenge the basic premise that prior research was built on: that strategy creation and strategy communication were two separate activities. Today, communication's constitutive role in strategy is taking centre stage, with researchers arguing that the methods through which strategy is created, and how it is communicated, are inseparable (Balogun et al, 2014).

Kaplan's (2011) study of PowerPoint's role in the strategy process is illustrative of this change. Originating with the purpose of studying PowerPoint's use in strategy, and noting that prior research has considered strategy communication methods in the same way as artefacts in culture (surface-level representations of the content that has been produced), Kaplan was drawn to PowerPoint's role in the "epistemic culture of strategy making" (p.321). Kaplan's finding, that the use of PowerPoint dictates strategy creation, suggests that the tools used to communicate strategy should not be considered simply surface-level representations of strategy, but rather as "part of the machinery" used to construct strategy (Kaplan, 2011, p.323).

To elaborate on the work of Kaplan (2011), we can draw on Hardy et al's (2000) contribution, which argues that communication is not just the method through which a message is sent and received, but rather forms a key part of the message itself. The discourse and language of strategy is considered more than just a chosen communication mechanism, but rather (through a complex set of linkages and circuits) constitutive of strategy, influencing its future conception, creation and perception (Hardy et al, 2000). Quoting Hardy et al (2000) in summarising their paper's contribution:

> "strategy – like 'the environment' and 'the organisation' – is a construction,
> reproduced by a variety of texts and practices… taking a constitutive approach
> to strategy communication suggests that strategy discourse does not simply
> mirror social reality – it creates it" (Hardy et al, 2000, p.1229).

Other notable contributions to this field include that of Ezzamel and Willmott (2011), who explore how discourse is constitutive of strategy, and Balogun et al (2014), who provide a

review of strategy as discourse literature. Taking a Foucauldian approach to the analysis of strategy, Ezzamel and Willmott (2011) find that, in addition to discourse having the power to "reconstruct" an organisation, discourse "is constitutive of objects of study – objects, such as strategy, that are routinely represented as external to their constitution of discursive practices" (p.211). Balogun et al (2014) elaborate by incorporating strategy as practice research to suggest that strategy, played out within meetings, whiteboard drawings, PowerPoint slides and management presentations, is inherently bound within its discursive artefacts.

Bridging the gap between constitutive and practical research on stories in strategy

Hardy et al's (2000) contribution is worth exploring further. While supplementary to that of Kaplan (2011), Hardy et al's (2000) study represents perhaps the first deliberate attempt to bridge the gap between research on the constitutive role of stories in strategy and its more practical origins. Hardy et al (2000) explored the role of discourse as a strategic resource, developing a model comprising three circuits through which discourse can be used as a strategic resource, while simultaneously being constitutive of future strategy. The first of Hardy et al 's (2000) circuits involves discursive activities, and how people use discursive tools such as stories, symbolism and metaphor. The second circuit, that of performativity, concerns the political effects of discourse, and how the discourse utilised resonates with its audience to evoke action or change. Lastly comes the circuit of connectivity, whereby the discourse utilised, and actions it causes, influence the strategy discourse of the future (Hardy et al, 2000). Therefore, Hardy et al's (2000) contribution highlights how discourse used today can influence the subject of discourse tomorrow.

The role of ambiguity in strategy

As discussed above, research on the communication of strategy is growing, and recent research suggests strategy communication is inextricably tied to strategy construction. However, some research has critically considered strategy communication, asking whether clear strategy communication is beneficial?

Eisenberg's (1984) seminal work on ambiguity within strategy is an example of this research. Eisenberg (1984) argues that strategic ambiguity helps generate multiple perspectives, reduce conflict, promote diversity and facilitate change. The benefits of strategic ambiguity are expanded by Eisenberg and Witten (1987), who critique open strategy communication

and suggest strategic ambiguity is positive for organisations when negotiating or bargaining, when disclosing technical activities, and in attempts to protect employees or the organisation's brand image. Further, Eisenberg and Witten (1987) note that strategic ambiguity can be useful when multiple objectives exist, when promoting cooperation between divergent groups, and when organisations require freedom to change (a luxury not afforded in a clearly delineated strategic plan).

In a more recent contribution to the field of strategic ambiguity, Abdallah and Langley (2014) discuss ambiguity's "double-edge" regarding the writing, reading and enactment of strategy. On the one hand, strategic ambiguity can be beneficial by allowing multiple perspectives to coexist, enabling harmony among stakeholders and providing for a more emergent / bottom up strategy. However, ambiguity's "double-edge" stems from its "emancipatory power": its ability to create excessive confusion and inability to rein in actions (Abdallah and Langley, 2014).

Summary: Strategy communication

The above summary of strategy communication research, plotting its development from establishing the need to communicate strategy, to a discussion of how strategy should be communicated, to the growing recognition that a strategy's communication and construction are inseparable, reflects the development of literature on strategic communication. This research has led us to today, where communication is considered integral to the strategy process, and the role of discourse as constitutive of strategy is receiving further attention.

However, as is typical of emergent areas of study, the initial void within strategy communication literature described by the likes of Barry and Elmes (1997), Jarzabkowski and Spee (2009) and Ezzamel and Willmott (2008) has not yet been systematically filled. Questions regarding how strategies are actually communicated remain, as do those querying why strategy should be communicated to external stakeholders. There remains scope to further bridge the gap between constitutive research and its more practical origins, through derivations of Hardy et al's (2000) study. And knowledge on the use of stories and images to communicate strategy is lacking, with empirical research and further theoretical insight required.

Therefore, opportunities exist within the strategy communication sphere to further research and develop original, insightful contributions. This study focuses specifically on the role of stories in strategy communication, and as such existing literature on stories and narratives in strategy is now presented.

Narrative / story in strategy communication

Narratives and stories have long been considered integral to communication (Bruner, 1990; Lacey, 2000) given their unique characteristics, and the argument that people engage in narrative to make sense of their lives (Liu and Riad, 2006). Such characteristics, as described by literary theorists Lacey (2000) and Bruner (1990), centre around the view that narratives and stories are presentations of events that transfer meaning from author to reader. Other narrative characteristics include their retrospective or prospective nature, that they interpret events from a given perspective, their focus on human action, the role of the reader in constructing the narrative's meaning, and that narratives influence identity construction (Bruner, 1990; Liu and Riad, 2006).

A broad spectrum of literature has outlined in depth the benefits of stories in communication. Drawing on the work of Simmons (2007) to summarise, the benefits of using stories to communicate include the following: bringing a human element into communication, thus providing a sense of presence in a message; constructing an alternate reality, allowing for a differing interpretation of data and facts; framing actions to be interpreted by others in a specific way; prioritising some issues over others; encouraging subjective thinking from multiple points of view; and transposing experiences, allowing people to recall or envisage a feeling, memory or action without physically doing it (Simmons, 2007).

In business research, perhaps the most prominent applications of stories can be seen in the field of marketing. Chiu et al's (2012) contribution to this field described how stories in marketing have been found to create emotional connections with an organisation's target market. Meanwhile, West et al (2004) noted that stories have greater persuasive power than other forms of communication. In addition, research by Deighton et al (1989) argued that people make sense of their experiences through narratives, and therefore exploring the stories people tell can provide insight into how they make sense of their environment and the brands within it (Chiu et al, 2012).

Stories in management research

The study of narratives and stories in management research began in the 1970's and rose to prominence in the early 1990's (Rhodes and Brown, 2005). In one review of narratives in organisational studies, Rhodes and Brown (2005) see narrative as having been used in five areas of enquiry: sensemaking, communication, politics and power, learning / change, and identity. They noted the use of narrative concepts has contributed to management research by placing attention on temporal issues within organisations, enabling scholars to see organisations as constantly in flux, providing room to accept multiple interpretations of meaning, highlighting the discursive nature of organisations, and reminding researchers of the importance of a human perspective.

In a more recent review of literature on stories in management research, Vaara et al (2016) analysed the use of narrative with reference to organisational stability and change. Vaara et al (2016) classified narrative approaches taken into three categories: realist, interpretive and poststructuralist. Realist approaches used narratives and stories as sources of data, which can be analysed using positivist qualitative methods, while interpretive approaches focused on the role of narratives as social constructions. Poststructuralist approaches took critical constructionist, postmodernist approaches to analyse the fluidity and complexity of narratives within organisations. Vaara et al (2016) also described five areas in which they see narrative studies as having made the greatest contribution to management research: organisational change, identity, strategy, entrepreneurship, and personal change.

Application to strategy

Barry and Elmes (1997) were perhaps the first management academics to directly discuss the application of stories and narratives to strategy. Given that "storytelling is the preferred sensemaking currency of human relationships among internal and external stakeholders" (Boje, 1991, p.106), Barry and Elmes argued "strategy must rank as one of the most prominent, influential and costly stories told in organisations" (p.430). In a high level conceptualisation of narrative in strategy, they analysed strategy "as a form of fiction". The literary concept of genre was applied to strategy, with most strategies seen as suited to following either an epic, technofuturist or purist form. Barry and Elmes also drew on literary theorist Shklovsky, to suggest that successful narratives require both novelty and credibility.

Having established narratives and stories within strategy as a credible area of inquiry, the remainder of this review on stories in strategy broadly fits within two genres as identified by Kupers et al (2013), Fenton and Langley (2011), Barry and Elmes (1997) and Brown and Thompson (2013). The first of these genres is termed ontological narrative research, and involves seeing humans as storytellers and all communication as narrative (Fenton and Langley, 2011). With respect to strategy, any form of communication can be analysed as a story (Fenton and Langley, 2011; Kupers et al, 2013). The other genre within strategy research is primarily practical or instrumental. Here, a clear distinction exists between stories and other forms of discourse, where stories can be identified as specific parts of a text, isolated and analysed as artefacts (Barry and Elmes, 1997; Fenton and Langley, 2011; Brown and Thompson, 2013; Kupers et al, 2013). This practical literature explores why stories are told, looks to understand how stories are beneficial in communicating strategy, and tries to educate managers to become better storytellers. The following section of this literature review summarises the key contributions from both genres.

Ontological narrative research in strategy

As noted above, ontological narrative research takes all forms of strategic communication as narrative, analysing it as such. By taking this methodological approach, and viewing all forms of strategy text, talk, and discourse as narrative, researchers have focused on the meaning, sensemaking, power and symbolism in strategy (Rhodes and Brown, 2005).

Within ontological narrative research, Barry and Elmes' (1997) contribution set the research agenda. As previously discussed, Barry and Elmes theorised strategy as a form of fiction. Defining stories as "thematic, sequenced accounts that convey meaning from implied author to implied reader" *(p.431)* they suggested that strategy should be analysed as a story, and strategy construction should be viewed as a process of constructing a story. Therefore, strategists face the same challenges as novelists and storytellers, how to write a story that is compelling, engaging, and resonates with its readers (Barry and Elmes, 1997).

Based on Barry and Elmes article, contributions to the ontological narrative research field appear to have focused on three areas. Firstly, and in accordance with Barry and Elmes theorisation of strategy as a story, research has explored how the narrative that is strategy emerges.

On the emergence of narratives, David Boje has made a sizeable contribution to knowledge. While focused on stories in organisations generally, Boje (2008) notes the narrative that is strategy emerges through the multiple stories organisations tell, and the interplay of the dominant and subsumed stories along with the various voices that tell them.

Strategy as practice researchers such as Fenton and Langley (2011) have considered narrative with respect to Whittington's (2006) Practice, Practitioners, and Praxis framework. Defining narrative as a paradigm or lens for examining how strategy is produced, and emphasising its structural aspects (such as temporal sequences and characters) they discussed the micro-level practices of strategizing and how the stories / narratives told within them contribute to the construction of strategy.

Seemingly consistent with Boje (2008), Kupers et al (2013) also appear to suggest that the narrative that is strategy emerges from the interplay of several smaller narratives, all of which themselves play a role in dictating the strategy story. In their rare empirical study, Kupers et al (2013) take a phenomenological approach to the study of a single organisation's storytelling practices. Viewing stories as comprising themes, plots and characters, Kupers et al (2013) find that stories can play a powerful role in strategy. Specifically, narratives help form patterns that are used to evaluate complexity; they aid employee sensemaking; they function as instruments of oppression and emancipation (simultaneously legitimizing some actions while deploring others); they resonate with a group; and have the power to "encompass thinking and feeling about certain issues, thereby compelling people to take certain actions and avoid others".

Focusing specifically on the role of time in narrative studies, Vaara and Pedersen (2014) explore how narratives 'construct representations of the past, present and future'. Developing a theoretical framework, the authors hypothesise that genre, antenarratives / polyphony, institutionalised strategic narratives and the construction of time all influence strategy creation and communication (Vaara and Pedersen, 2014).

And in the most recent contribution to how the narrative of strategy emerges, Holstein et al (2016) explore the role of narratives in strategy in higher-education institutions. Taking a constructivist approach Holstein et al (2016) once again argue that the strategy narrative is an outcome of a storytelling process involving the interplay of multiple ante-narratives. The

authors also identify the emotions of fear and hope as influential in this interplay, suggest that narratives play a key role in framing actions, and argue that multiple narratives can simultaneously exist if they are accommodated in a wider strategic narrative.

The second area in which the ontological narrative research field has expanded on Barry and Elmes (1997) contribution involves the genres that strategy narratives take. While briefly touched on by Boje (2008) when describing how strategic management literature allows for the popularity of certain genres in strategy, perhaps the most noteworthy contribution within this field comes from Landrum (2008). As another rare example of an empirical study within the ontological narrative research field, Landrum conducts a narrative analysis of the shareholder letters of Nike and Reebok to explore their genres. Viewing the key characteristics of narratives as their plots and sequences of events, Landrum equates Mintzberg's 10 schools of strategy to four classical narrative genres (Tragedy, Comedy, Romance, Satire) and the three potential strategic genres developed by Barry and Elmes (Epic, Tecnhfuturist, Purist). She then analyses the shareholder letters of Nike and Reebok between 1990 and 1999 with respect to these genres. Finding that Nike's shareholder letters utilise a broad range of narratives, and Reebok's utilise fewer, Landrum (2008) suggests a company's use of narrative reflects not only their tactical and strategic intentions but also their worldview.

Lastly, ontological narrative researchers have taken Barry and Elmes' (1997) ideas into the field of strategic change. In an empirical study, Dunford and Jones (2000) explore the role of narratives in strategic change processes. Defining narrative as "language used to connect events in time" (p.1209) they see narratives as constructions that configure events to give them meaning, create a journey, and give purpose to the actors within them. Of interest is Dunford and Jones' (2000) speculation within their findings section, where the notion that managers tell narratives not only to help give sense to those they hold responsibility for, but also to make sense of their own world is proposed. Closely related to Dunford and Jones' article is that by Sonenshein (2010). Taking a narrative methodological approach, and creating composite narratives using various individual fragments of discourse, Sonenshein (2010) finds that managers tell stories to enact strategic change, and that employees embellish these stories to make sense of and respond to the change.

Summary of findings: Ontological narrative research

To summarise, the field of ontological narrative research takes a narrative methodological approach to strategy, viewing strategy as a story and analysing it as such. With Barry and Elmes (1997) setting the research agenda, research is primarily theoretical and appears to have focused on three areas: how the narrative of strategy emerges, what genres the strategy narrative takes, and the role of narratives in strategic change.

When discussing research in this field it is imperative to note the limitations of a narrative analytic approach. As a narrative approach fits within the constructionist paradigm, many of the criticisms levelled at constructionism apply to ontological narrative research on strategy. These include the arguments that the researcher's a priori ideas and opinions have too great an influence on research (Landrum, 2008); narrative isn't a sufficiently systematic method of analysis (Brown and Thompson, 2005); narrative encourages the relaxing of critical thought; and that narrative is often case-based and so makes no attempt to be generalizable (Bryman and Bell, 2015).

Practical research on stories in strategy

As previously noted, the second research stream on stories in strategy, termed practical research, focuses on isolating stories within texts and exploring how they are used within the construction and communication of strategy (Fenton and Langley, 2011). Therefore, rather than viewing all text as narrative (and hence taking a narrative analytic approach), stories are considered a specific part of discourse or a communication mechanism that comprise only a small part of all strategy communication. As such, stories can be identified, isolated and analysed, with questions surrounding their use explored (Kupers et al, 2013).

While also loosely originating from Barry and Elmes' 1997 article, contributions to the practical field of stories in strategy are varied, both in terms of academic rigour and in nature. One of the first contributions was authored by Shaw et al (1997), who discussed the use of storytelling as a strategic planning and communication methodology at 3M. Noting that communication is constitutive of strategy, Shaw et al (1997) began with a critique of the bullet point method of strategic planning, arguing that it tends to be too generic, fails to account for relationships and doesn't identify key assumptions upon which an organisation's strategy is based. Shaw et al (1997) then proposed that strategic plans should be written like stories,

where the stage is set, followed by the introduction of a conflict, which is then overcome with a satisfying resolution. Such a storyline is argued to help the author of the story better identify the assumptions present and think more deeply about the logic underlying their proposal, while simultaneously communicating strategy in an effective way (Shaw et al, 1997).

A second contribution to the field of stories came from Taylor (1999), with his study based on the notion that people make sense of organisational changes through stories. Taylor (1999) conducted interviews, asking participants to tell a story about a recent change process. While Taylor's findings are tangential to this study, his methodological approach of extricating and analysing individual stories is noteworthy as it illustrates the value researchers have placed on their role in the sensemaking process.

In a similar vein, Berry (2001) explored how individual stories are told by managers to justify and explain their actions when they face conflicting demands. Conducting an empirical qualitative study of six chemical firms, and drawing on theory which argues that stories are tools for collective sensemaking, Berry generates theory in an inductive fashion. As per the Taylor study, Berry's findings contribute little direction to this literature review given his emphasis on a specific industry. However, his approach (in which individuals are asked to recount stories, which are then used as a source of data) once again illustrates the role of stories in the sensemaking process, and the value literature places on them to provide insight.

Following Shaw et al's (1997) work, Stephen Denning has written several books and articles detailing the benefits of storytelling in strategy, and how managers can successfully tell stories to communicate their organisation's strategy. Of note is Denning's (2006) description of how different stories are contingent on different situations. Viewing stories broadly as accounts of connected events, Denning (2006) explores how the careful selection of the correct story, along with its effective delivery, can help managers implement strategy and achieve objectives.

Also closely related to Shaw et al's (1997) work is that by Marzec (2007), who argued that strategy should not only be communicated as a story, but constructed as one. Drawing on neuroscientific theory to explain why strategists should use stories, Marzec noted that stories create 'frameworks' within the minds of people, allowing for greater knowledge retention when a series of actions / ideas are drawn together within a story. In addition to their

influence on knowledge retention, the ability of stories to emotionally connect with their audience and initiate appropriate actions is discussed. Marzec (2007) also details how to construct an effective strategy story, elaborating on Shaw et al's (1997) article and arguing that effective strategies (as stories) should be grounded in the organisation's current reality; effectively paint a picture of a desired state; outline the path that should be taken to reach the ideal point; and invite readers to act accordingly. Marzec (2007) also draws on Barry and Elmes (1997) to argue that strategists should construct their stories to be both credible and unique.

Whilst not directly labelled strategy papers, Lounsbury and Glynn's (2000) and Martens et al's (2007) contributions on entrepreneurship and resource acquisition provide insight into how stories can be leveraged to secure additional resources. Theoretical in nature, Lounsbury and Glynn (2000, p.549) see stories as:

> "organisational symbols that use verbal expression or language structured in three time based structural components - beginning, middle, and end - with transitions and event sequences propelled by plot lines and twists (e.g., Bruner, 1990) and shaped by defining characters".

Further, Lounsbury and Glynn (2000) note that stories must have a "narrative subject", a "destonator", and "a set or forces that help or hinder the subject in acquiring the desired object". Based on this definition, Lounsbury and Glynn (2000) develop several propositions advocating for the role of stories in resource acquisition.

Building empirically on Lounsbury and Glynn (2000) is the work of Martens et al (2007). Defining stories as "temporally sequenced accounts of interrelated events or actions undertaken by characters" which can be shared both orally and textually, Martens et al (2007, p.1109) completed a large-sample, mixed methods analysis of Initial Public Offering (IPO) documents. Analysing 169 IPOs and their associated documents, they found that stories help convey identity, clarify the logic behind a value proposition and connect emotionally to potential resource providers. To quote Martens et al (2007, p.1125) on one of the article's key contributions, their analysis:

"supports the underlying premise that storytelling is a key mechanism through which entrepreneurs can leverage their existing capital to acquire additional resources".

Another regular contributor to the field of practical narrative research is Michael Carriger. In a 2011 article, Carriger explored the use of a "springboard" story (defined by Carriger (p.306) as "a concise, positive, action-oriented narrative aimed at communicating complex ideas and inspiring action in listeners"). Through conducting an experiment on both MBA students and professionals, strategy and its content was found to be better understood when presented as a springboard story, rather than as bullet points (Carriger, 2011). Carriger has also published further work in professional journals, advocating for the use of stories to communicate strategy, and entered the domain of leadership, exploring how bad news can be conveyed through narratives (Carriger, 2013).

And in the most recent contribution, Aaker and Aaker (2016) discuss the strategic use of signature stories, using publicly available case studies as data. Aaker and Aaker (2016) note that signature stories (defined as discourse structured into a beginning, middle, and end containing a strategic message) can be an effective tool to communicate. The effectiveness of a signature story, measured by its intrigue, authenticity and ability to involve its reader, is based on Aaker and Aaker's (2016) assertions that stories are more likely to be remembered, are persuasive and spawn social communication. The payoffs from using stories are the ability to guide and inspire employees, enhance customer attachment and articulate an organisation's vision and values (Aaker and Aaker, 2016).

Summary of findings: Practical field

Loosely originating from Barry and Elmes' (1997) landmark conceptualisation of strategy as a story, practical research is an emergent field of research exploring the role of stories in strategy. Unlike ontological research, which treats all strategy and communication as narrative, practical research sees stories as small fragments of discourse, which can be identified, isolated and analysed. While only in its infancy, contributions to the field have briefly explored the role of stories in strategy communication, with the value of stories as a tool to communicate strategy briefly conceptualised, and tested experimentally only by Carriger (2011). The value of stories in strategy creation has also been mooted, with Shaw et al (1997) and Marzec (2007) advocating for the writing of strategy as a story.

Summary of literature review

Let us recall the Balogun et al (2014) quote used at the start of this literature review. In all forms (from management presentations to conversations at the water cooler) communication was considered integral to strategy. With this in mind, and with an interest in stories, this literature review has summarised the key contributions to research on strategy communication, and the role of stories.

While much theory and insight has been developed, the potential remains for further research to be done. Within the strategy communication sphere, how strategies are communicated, and why they should be communicated to external stakeholders are areas that could benefit from further research. In a similar vein to Hardy et al (2000), opportunities exist to bridge the gap between constitutive research and its more practical origins.

With specific regard to stories in strategy, more unanswered questions arise. There remains scope to build on the body on empirical research on stories in strategy. The motivations of managers to use stories to communicate (rather than other communication mechanisms) remain relatively unknown, and justify further exploration. Thirdly, the role of stories in the strategy creation process can be further explored.

Therefore, grounding this research firmly within strategy literature, and more specifically the still-emerging field of strategy communication, a clear opportunity to contribute emerges. Regardless of whether communication is viewed as tactical or constitutive of strategy, the role of stories in the communication of strategy has not been adequately explored. The specific research questions to be addressed are detailed in the next section.

Chapter 2: Methods

Having established a clear gap in knowledge on the role of stories in strategy communication which (when filled) can provide valuable insight, the following section of this thesis outlines the methods taken to generate such a contribution. It begins with an introduction to the ontological / epistemological position of the research, detailing how the study fits within the interpretivist paradigm. Next, the aims of the research and subsequent research questions are outlined. Thirdly, and in accordance with interpretivism, the approach to conducting this research is discussed. This discussion includes the incremental collection of data and abductive approach to generating theory (Hatch and Yannow, 2003). Lastly, the two phases of this research project are described.

Paradigm

According to Bryman and Bell (2015), the epistemological and ontological aspects of research cannot be separated from its conduct, with the researcher's ontological views heavily influencing the formulation, conduct and findings of any research project. It is therefore necessary to discuss the ontological and epistemological positions of the researcher within this research.

Interpretivism

Bryman and Bell (2015) describe interpretivism as the inquiry into the "subjective meanings of social actions". Interpretivism explores human interests, behaviours and the social realities people construct, embracing the dynamic nature of the world to uncover the meanings and motivations behind actions and behaviours (Leitch et al, 2010). As such, interpretivist research is not conducted with the aim of building explanatory theoretical models or developing theory, but rather as an attempt to gain knowledge and insight into the meaning that lies behind the actions of individuals (Leitch et al, 2010; Mantere and Ketokivi, 2013).

Within interpretivist research, knowledge is developed through a back-and-forth, iterative conversation between theory and empirical data, a process known as abductive reasoning (Mantere and Ketokivi, 2013). Therefore, the findings which emerge are grounded firmly in the data collected, whilst simultaneously drawing on prior research for additional insight and relevance (Mantere and Ketokivi, 2013).

The role of the researcher is salient within interpretivism. Whereas positivism implies that the researcher remains objective (completely separate from the phenomena studied), in interpretivism the researcher is deeply implicated in the research (Leitch et al, 2010). Hence, findings and theoretical developments cannot be considered as scientific, factual descriptions of natural phenomena (Leitch et al, 2010) but rather as insights based on the researcher's collection and interpretation of data.

This research has been designed in accordance with interpretivist principles, and fits firmly within the interpretivist research paradigm. Its aim, analytical methodology and development of knowledge are all in accordance with interpretivist practices.

Aim

Interpretivist research dictates that human interests, meanings, motivations and behaviours take centre stage (Yin, 1984; Leitch et al, 2010). Hence, a research project within the interpretivist paradigm should focus on inquiry into such phenomena (Bryman and Bell, 2015). Therefore, when exploring the use of stories in strategy communication, this project seeks to explore when and why stories are used to communicate strategy.

Research questions

In order to guide the achievement of the aims of this research, three research questions have been developed. These are:

1. To what extent do New Zealand organisations use stories to communicate their strategies?
2. What motivations underlie the use of stories to communicate strategy in New Zealand organisations?
3. When considered from multiple perspectives, what influences do stories have on strategy communication in New Zealand organisations?

The primary phenomena of interest within the first research question is the extent to which stories are evident in the communication of strategy. Building on this, the second research question explores the motivations underlying why stories are used to communicate strategy. The third research question looks to provide colour on why stories are used, taking into account multiple perspectives to consider whether the use of stories has an influence on

strategy communication. Together, these questions are designed to more fully uncover the role of stories in strategy communication, and explore why stories are used to communicate strategy.

Variables / phenomena of interest

The aim of this research and subsequent research questions imply two phenomena present within this research. Firstly, and forming the subject of analysis in the first research question, is the extent to which stories are used to communicate strategy. Secondly, as the subject of analysis of the second and third research questions, is why stories are used to communicate strategy.

Within the research questions posed, two concepts emerge which require further definition: stories, and strategy. These concepts are discussed, and defined with regard to this research, below.

Defining stories

Integral to these research questions and the phenomena they explore are two concepts: strategy and story. Illustrated in the literature review was that both strategy and story are concepts that lack a single, accepted definition. For example, Barry and Elmes (1997) have defined stories as "thematic, sequenced accounts that convey meaning from implied author to implied reader", whereas Lounsbury and Glynn (2000, p.549) saw stories as having "narrative subject", an "ultimate goal", and "a set or forces that help or hinder the subject in acquiring the desired object". Therefore, both strategy and story, as they are considered in this research project, are defined.

Starting with stories, this study treats stories as a form of communication which can be identified, isolated and analysed. To define a story, this research draws on the work of literary theorist and psychologist Bruner (1990), pioneering narrative strategy researchers Barry and Elmes (1997) and recent contributors Aaker and Aaker (2016). Beginning with Bruner's definition, as theorised by him and summarised by Liu and Riad (2006), stories have five characteristics. These are that stories:

'are an account of events occurring over time, focus on human action, are written from a certain perspective, are part of the identity construction process and are co-authored by the writer and audience' (Liu and Riad, 2006, p.3).

Breaking down the five characteristics of Bruner's definition further for discussion, the first and second are easily comprehendible: Stories tell of multiple thematic, sequenced actions, decisions and events (Barry and Elmes, 1997), that have occurred or may occur, that transfer meaning from author to reader. That is, stories involve the purposeful presentation of human actions and decisions in a specific sequence designed to transfer meaning from author to reader (Barry and Elmes, 1997).

The third aspect of Bruner's definition (that of perspective) is relatively self-explanatory, however is worth reinforcing given that the operationalisation of Bruner's definition used here departs from others who have utilised it.

Defining the fourth aspect of stories as that of identity construction, Bruner notes that stories transfer meaning. It is through this transfer of meaning that stories influence how their reader interprets phenomena (Barry and Elmes, 1997).

The last aspect of Bruner's definition of stories, that the reader plays a role in the identity construction process, is difficult to determine when isolating stories and analysing their use. Therefore, while important to consider when analysing the impact of stories, this characteristic was not used when identifying the presence of stories.

Bruner's definition comes from an ontological narrative standpoint, where all text is considered narrative and analysed as such. Therefore, when seeing stories as different from other forms of discourse, this definition needs to be supplemented with additional criteria. Aaker and Aaker (2016) provide such an element pertaining to the structure of stories, which allows for stories to be isolated from other discourse. This is that stories have a distinct beginning, middle and end that takes the reader on a journey.

Lastly, drawing on Barry and Elmes (1997) and transcending the previous characteristics of stories, stories can be separated from other forms of discourse through their plot. A story's plot reflects that it is more than a presentation of facts of events, but rather a recollection / prediction of events from one individual's (or organisation's) perspective.

To summarise, by drawing on Bruner (1990), Aaker and Aaker (2016) and Barry and Elmes (1997), this research has developed a definition of stories that allows for a clear

operationalisation of previous definitional work. This definition, and its implications regarding the impact of stories, is presented below:

Firstly, stories have four characteristics. For a piece of discourse to be a story, it must have the following four characteristics:

1. Present human actions and decisions in a sequence
2. Be told from a specific perspective
3. Have a distinct beginning, middle and end equivalent to a journey
4. Have a discernible plot

When possessing these four characteristics, a story has been argued to:

- Influence the reader's perception of the subject's identity
- Communicate a message from author to reader
- Provide scope for their readers to have multiple interpretations of the story's message

Defining strategy

Given the centrality of strategy to this thesis, articulating a definition of how the term is used here is equally important. Exactly what constitutes strategy continues to be the subject of debate in academic literature (Ronda-Pupo and Guerras-Martin, 2012). Rather than contributing to this debate and attempting to redefine strategy, this research draws on previous definitional work by Mintzberg and Waters (1985), De Wit and Meyer (1998) and Ronda-Pupo and Guerras-Martin (2012) to develop a definition of strategy. The definition taken has three components.

Firstly, as was theorised by Mintzberg and Waters (1985) strategy can be both intended and emergent. On the one hand, strategy has an intentional / deliberate aspect, often formalised through strategic plans. On the other hand, strategy can also be emergent, arising through various actions, decisions and streams of behaviour. By stating that strategies can be both planned and emergent, the role of time becomes salient in this definition, as it is in stories. That is, the concept of strategy spans time, given it can both be forward looking and retrospective.

Figure 2: Intended, emergent and realised strategy

INTENDED STRATEGY

REALIZED STRATEGY

DELIBERATE STRATEGY

UNREALIZED STRATEGY

EMERGENT STRATEGY

(Mintzberg and Waters, 1985)

Secondly, and in keeping with Mintzberg and Waters (1985), strategy is something an organisation has. An organisation, here, is seen to always have a realised strategy, regardless of whether it was intentional, emergent or a combination of both. This implies that organisations, when communicating strategy, may discuss both their intended strategy and their emergent / realised strategy.

Having established that organisations will have strategy to be identified through analysis, and that this strategy may be intended, realised, emergent or any combination of the three, the third component of strategy requiring definition is its content. Drawing on the work of Ronda-Pupo and Guerras-Martin (2012, p.180), who conduct a quantitative co-word analysis of 91 definitions of strategy from 1962 – 2008, strategy's 'essence' is:

> *"the dynamics of the firm's relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources".*

Therefore, strategy pertains to any actions, decisions or events regarding resources and with recognition of the external environment that are undertaken by a business in order to achieve its goals. This definition is consistent with many reported within the strategy field, bearing close resemblance to Nag, Hambrick & Chen's (2007) whose definition of strategy was derived in a similar fashion.

Communication of strategy

Defining strategy in this way enables strategy communication to exist in three forms. Firstly, an organisation can communicate its intended strategy through strategic plans and the like. Secondly, an organisation can discuss its emergent strategy, as a pattern of past actions that comprise its strategy. Lastly, an organisation can discuss its realised strategy, consisting of both its emergent and planned strategy that spans both the past and future.

Research design

As noted previously, the aim of this research is to explore the extent to which organisations use stories to communicate their strategy, and why they are used. Prior academic research suggests multiple methods are available through which these questions can be addressed. One such method would be to take a narrative approach to study strategy communication. Here, all communication is seen as a story, and can be analysed as such (Fenton and Langley, 2011). However, such analysis has limitations. Narrative analysis places a greater emphasis on the researcher, with the researcher making sense of another's sensemaking and recounting their interpretation of another's story (Landrum, 2008). As argued by Brown and Thompson (2013, pp. 1155), narrative's critics:

> *"have contended that it is often regarded as the prosaic telling of a story, with the implication that readers can relax their critical, sceptical faculties".*

In addition, empirical narrative research is typically conducted using case-studies, with an in-depth understanding of the nature of an entire organisation, its people and environment (Bryman and Bell, 2015). This would restrict the number of strategies that could be analysed within the scope of a Masters thesis.

As well as the above methodological limitations, narrative analysis fits firmly within the constructionist ontology, given the inseparable role of the researcher from data collection and analysis, and their attempt to piece together how others construct their worlds (Bryman and Bell, 2015). Therefore, when taking an interpretivist approach, isolating the stories organisations tell, exploring them as artefacts and examining why they are told, a narrative approach (with its constructivist undertones) is less applicable. Hence, an approach that seeks to explore the social meaning behind actions, one that develops insights grounded in both prior theory and real data (Leitch et al, 2010) is preferable.

Such an approach, fitting within the interpretivist research principles outlined above, can be achieved by conducting an iterative, two-phased approach to collecting and analysing data. Guided by the research questions, the first phase seeks to explore the extent to which New Zealand organisations utilise stories, and whether they are used to communicate strategy.

The second phase, centred around the second and third research questions, seeks to explore why stories are used to communicate strategy in the same context.

Phase 1: Exploring the extent to which stories are used to communicate strategy

Phase one of this research project was designed and completed with the aim of answering the first research question. Therefore, the extent to which New Zealand organisations use stories in the communication of their strategies is the subject of analysis. Phase one involves the textual analysis of the publicly available strategy documents of a selected sample of NZX-listed organisations, utilising Bowen's (2009) document analysis as the chosen analytical method. The selection of a sample, and logic underlying why Bowen's document analysis was chosen, are detailed in the following sections of this thesis.

Sample selection and data collection

Ever since Bowman's (1984) content analysis of the annual reports of listed organisations to explore their strategy and attitude to risk, annual reports have been recognised as a valuable source of data on a company's strategy (Duriau et al, 2007). Based on this recognition, the annual reports of listed New Zealand companies have been selected as the object of analysis for phase one of this data.

In order to develop a sample containing the annual reports of listed organisations, Wellington-based NZX-listed companies who publish annual reports have been sampled. 19 NZX-listed organisations fitted within this sample.

Wellington, New Zealand based companies were selected based on their proximity to the researcher. Such proximity allowed for the second phase of the research to be conducted primarily with members of the organisations analysed in phase one of this research project. NZX-listed organisations were selected as they face equal disclosure requirements, which outline what information they must disclose and broadly what form this disclosure must take.

Having developed a sample of organisations to analyse, rather than analysing only the latest annual report published by each company, the three latest annual reports from each organisation were analysed. The purpose of sampling the latest three annual reports from each organisation was to increase the number of reports analysed (in order to prevent one-

year idiosyncrasies overly affecting the results), while simultaneously allowing for the analysis of changes within each company's approach and the potential exploration of these.

Phase 1 Methodology

Given that annual reports of publicly-listed companies can be used as data to analyse their strategy (Duriau et al, 2007), a method with which to analyse these documents was required. In order to identify, isolate and analyse the stories organisations tell in communicating their strategies, a form of document analysis, mirroring that described by Bowen (2009) has been utilised.

Bowen (2009, p27-28) describes document analysis as "a systematic procedure for reviewing documents, both printed and electronic". In terms of the analytical process, it entails "finding, selecting, appraising (making sense of), and synthesising data contained in documents" which is "then organised into major themes, categories, and case examples specifically through content analysis" (Bowen, 2009, p.27).

With reference to this research project, and the exploration of the extent to which organisations use stories to communicate strategy within their annual reports, document analysis as an analytical methodology is ideally suited to achieving this. As Bowen (2009) stated, document analysis suits a mixed methods, iterative approach to research, exactly as this project is following. Document analysis is also time efficient (Bowen, 2009), a key consideration when completing a Masters thesis.

In order to further validate the research methodology taken, Bowen (2009) recommends the process utilised to derive findings be explained. Accordingly, using document analysis here, stories were identified based on the four characteristics of stories (as described in the definition of stories taken in this research). Once identified, the content of each story was explored.

Phase one of this research project provides a valuable building block upon which phase two can expand upon. Phase one provides the necessary context to allow for the insightful selection of participants in phase two, along with guiding the questions asked in interviews. This is another rationale for studying organisations in New Zealand, since interviews can be most feasibly and effectively undertaken with those involved with strategy communications who are proximate to the researcher. Phase one also provides information regarding the

multitude of ways in which stories are used, informing the insight developed in phase two of the research. Lastly, phase one pays particular attention to the use of stories in practice. Rather than discussing hypothetically and verbally the use of stories, phase one of this research provides a practical grounding that supports the insights developed in phase two of this research.

Phase 2: Exploring why stories are used to communicate strategy

Having established the extent to which Wellington-based NZX-listed organisations utilise stories in the communication of their strategies, phase two explores why organisations use stories to communicate strategy, guided by the second and third research questions. In order to explore why stories are / are not used to communicate strategy, 7 stakeholders from the strategy formulation, strategy communication and strategy interpretation fields have been interviewed. The logic underlying phase two of this research project is detailed below, beginning with the analytical methodology, before detailing how participants were selected and data was collected.

Phase 2 Methodology

Interviews have long been recognised as a valuable source of data on the personal thoughts, behaviours, opinions and interpretations of people (Rowley, 2012). Providing an easier, less invasive method of qualitative inquiry than participant observation, interviews allow for the direct analysis of the specific phenomena explored in research (Bryman and Bell, 2015).

As discussed by Rowley (2012), different interview forms / styles can be defined based on their level of structure. At one end of the spectrum, structured interviews are like questionnaires conducted in person. At the other end lie unstructured interviews, often involving less formal questions and a greater discussion of themes / concepts put forward by the subject (Rowley, 2012). Sitting between these two contrasting methods of inquiry are semi-structured interviews. Typically involving 6-12 broad questions, several sub-questions and the researcher having the discretion to move away from the interview schedule, semi-structured interviews are a common type of interview in business research (Rowley, 2012).

Given the appropriateness of interviews when the research objective centres around how people act and make sense of phenomena, and that semi-structured interviews allow for

sufficient flexibility to explore emergent themes (Rowley, 2012), semi-structured interviews were selected as the method of inquiry for phase two of this research.

Participant selection

After establishing that semi-structured interviews are a highly effective method with which to explore why New Zealand organisations utilise stories in their strategies, the focus of the design turned to who to interview.

Whereas in quantitative research discussions of sampling revolve around finding a representative sample, in qualitative research sampling theories are based on purposive sampling (Bryman and Bell, 2015). Within the broad purposive sampling frame (defined by Bryman and Bell (2015) as the selection of participants based on the goals of the research), several specific sampling techniques exist. As discussed by Bryman and Bell (2015), these include theoretical sampling (where sampling is an emergent process of data collection completed until saturation), generic purposive / selective sampling (a similar, if less iterative approach to the collection of data), and snowball sampling (where the networks of the initial research participants are used to expand the sample).

The selection of an adequate sample in this research project has been conducted in the fashion of a generic purposive / selective sample. A common approach to sampling in qualitative research, generic purposive / selective sampling is conducted with purpose (like theoretical sampling) but without the required end goal of developing theory (Bryman and Bell, 2015). Other characteristics of generic purposive / selective sampling include its fixed or sequential nature, that it is often used to develop a diverse sample, that it can be dictated by the restrictions placed on the researcher, and that participants are selected based on the aims of the research (Coyne, 1997).

The generic purpose / selective sampling methodology fits within the broader goals and ontological underpinnings of this research project. Purposive / selective sampling allows for a sample to be constructed which is dictated by the aims of the research, considers the findings from the first phase of research and recognises the limitations faced by the researcher (discussed in a later section of this thesis). As such, a sample was developed by interviewing a number of individuals within three stakeholder groups: strategy creators, strategy communicators, and strategy interpreters. As will become clear, interviewing

individuals from each of the different stakeholder groups allows for a wider range of perspectives and opinions to be assessed on the use of stories in strategy creation and communication.

Strategy creators

The strategy creator group consisted of individuals that hold or have held senior leadership and / or strategy based roles within New Zealand-based organisations. To ensure coherence with phase one of this research, the majority of the stakeholders interviewed were currently or previously employed by organisations sampled within phase one of this research. Within this group, an attempt was also made to interview individuals from organisations that used stories to differing extents. Therefore, individuals from organisations who use stories to a large extent, and individuals from organisations who used stories to a lesser extent, were interviewed. A total of three strategy creators agreed to be interviewed.

Strategy communicators

Strategy communicators are individuals who specialise in communications, or who have responsibility for the communication of organisations. Once again, the majority of those interviewed were currently or recently employed by organisations sampled in phase one of this research. As per the strategy creator stakeholder group, individuals from organisations that utilised strategy to a high extent and a lesser extent were interviewed. Two strategy communicators agreed to be interviewed. Given that this group makes important contributions to how a strategy is presented, but are not the primary creators or implementers of the strategy, only including a small number of communicators was deemed to be appropriate for the scope of this research.

Strategy interpreters

In order to provide depth and further scope to this research, and assist in exploring the third research question, individuals within the strategy interpretation sphere were also interviewed. Individuals within this sphere were professional investors, and / or individuals who have exposure to numerous company strategies on a day-to-day basis. The aim of interviewing strategy interpreters was to add the perspective of those who are tasked with reading strategy, to gauge the influence of stories in strategy communication. To an extent,

this provides some insights into whether strategies as stories are achieving some of the ends that strategy creators may be intending to achieve through this mode of communication. Two strategy interpreters agreed to be interviewed. While it would have been desirable to expand this number, finding suitable interviewees who would agree to participate proved quite challenging.

Direct quotes from participants are extensively used in the following sections of this thesis. Each quote states it's author's stakeholder category (as per the human ethics and informed consent procedures established at the outset of the data collection). These are summarised as follows:

Strategy creator: Creator

Strategy communicator: Communicator

Strategy interpreter: Interpreter

Participants within each stakeholder category are also assigned a number, to illustrate which quotes come from each individual participant. For example, the first strategy communicator interviewed is labelled Communicator 1, and the second Communicator 2.

Data collection

Semi-structured interviews lasting between 20-60 minutes were conducted with each of the participants within this study. Interviews took place either over the phone or at location convenient to the participant, and were electronically recorded and transcribed. In addition to being transcribed, hand-written notes were taken during the interview.

Data analysis

A qualitative thematic analytic approach was taken to analyse data collected in phase two. A theme, as defined by Bryman and Bell (2015) is a category identified by the researcher which relates to the research questions, built upon the initial codes used to analyse transcriptions and field notes. Within phase two of this research project, template analysis was utilised as the method through which to develop themes. Template analysis is both effective and befitting of an interpretive research project given its broad application (Brooks et al, 2015), allowing for abductive analysis and giving researchers freedom to bring a priori ideas (including previous research) to the table while simultaneously promoting the development of new insights (Cassel and Symon, 2004). Template analysis also allows for themes to be

developed hierarchically, which is of benefit when complex phenomena are being studied (Cassel and Symon, 2004).

In attempting to remain consistent with phase one of this research, the development of themes began with trying to understand why stories were used generally in organisations, before moving more specifically to why stories were used in strategy. This mirrors the approach taken in phase one of this research, which firstly identified stories, and then analysed them for their strategic content.

Ethical considerations

As with all research projects involving human subjects, the ethical impact of the research must be considered. The key ethical consideration within this research involves the interviewing of participants within phase two of the research, and the subsequent use of the data they provide. In order to mitigate possible risks surrounding this, all care has been taken to ensure that data is securely held. In addition to ensuring that participant data is kept securely, the confidential nature of reporting each subject's participation is a second major ethical consideration. As such, the highest level of care has been taken to ensure that the confidentiality agreed to by participants has been upheld and any potential identifying factors within the interviews have not been included in this thesis or any related publication. Data have been securely kept, only the researcher and supervisor have knowledge of the identity of the participants, and only each participant's broad stakeholder categorisation (strategy creator, strategy communicator, strategy interpreter) and number within their category (1,2,3) has been reported in the research.

Limitations of chosen research design

As is noted by Sinkovics et al (2008) "trustworthiness" is a key concept in qualitative research. And in order for qualitative research to be trustworthy, it must achieve the following four criteria: credibility, dependability, transferability and confirmability. Despite the best efforts to ensure that this research meets these criteria, as with most research it does have some limitations. These limitations are now discussed.

Defining strategy and story

The first limitation present within this research project arises from the key definitions taken by this project. Within the methodology section of this thesis, the concepts strategy and story

are defined, with each definition drawing upon previous literature in their respective fields. While both definitions draw on previous research, given the disputed nature of what can constitute both strategy and story, it is possible that particularly the interviewees interpretations of what constitutes strategy and/or a story may not be entirely representative of these concepts. As phase one of this research uses these definitions, with the identification of stories and strategy based upon them, such a limitation can be said to reduce the generalisability of this research. This limitation was somewhat addressed by using commonly cited definitions, cross-referencing to check what other studies had used at the definition formation stage, and referring to these definitions when questioned by participants on their meaning here.

Annual reports as sources of data

The second limitation present within this research (specifically in phase one) concerns the use of annual reports as a source of data on an organisation's strategy. Despite studies by the likes of Bowman (1984) and Duriau et al (2007) utilising annual reports as sources of data on strategy, it could be argued that recent changes in the channels organisations use to communicate reduce their validity as a source of data. For example, because annual reports potentially have a restricted format of legitimate coverage, this may not be the mode that organisations perceive is most appropriate for communicating strategy via stories. This phenomenon was highlighted by several participants in phase two of this research due to the expanding range of communications channels organisations have available to them. Whereas in the past organisations relied on annual reports, they are now considered just one of the many mechanisms through which companies can communicate. As was noted by participants, organisations can now communicate through their websites and social media, through regular investor presentations, and continual disclosures to the market. Such mechanisms, which can be utilised on a more regular basis in a manner less constrained by regulation, are considered valuable alternatives to annual reports when communicating. These comments may, though, be indicative of a shift in practitioner views about there being major downside from communicating strategies externally.

Therefore, while annual reports have been established in literature as a valid source of data on an organisation's strategy, given changes in the tools organisations have available to them to communicate, they may be becoming a less valid source of data.

Adding to this limitation is the idea that annual reports appear to be now aimed only at small group of stakeholders: Small investors. While this may be mainly typical of larger companies (as will be discussed in *Audience* section of this research), this suggests that annual reports do not capture the extent to which strategy is communicated within an organisation, nor to many other stakeholders. This reduces the validity of annual reports as a source of data on a company's communication to all stakeholder groups, given their potentially primary focus on a single stakeholder audience. The findings should be considered with this caveat in mind.

Questions arise regarding intent

As phase one of this research project takes annual reports as the source of data, the intent behind the discourse contained within these reports is unknown. Phase two of this research somewhat mitigated this issue, given it talks to the people behind the production of annual reports and asked directly how and why stories were utilised, rather than relying on the researcher's interpretation.

Sample size

A major limitation present within this study concerns the sample size in both phase one and two of this research. Credibility in qualitative research hinges heavily on the sample of data selected. While phase one takes a sample of 19 organisations annual reports, the sample in phase two of only 7 stakeholders is relatively small. Given the small sample size, and some potential for bias from the researcher in selecting participants, the views of participants interviewed may not fully reflect the wider stakeholder groups they fit within. As the themes developed within phase two of this research are based on the views and opinions of participants, if these are not reflective of the wider population then the credibility and confirmability of this research and its findings would then be limited.

Time constraint

The final limitation present within this research regarded the time constraint imposed when completing a Masters Thesis. As this thesis had to be completed over a 12-month period with coursework occurring concurrently, the scope of the research is naturally constrained.

Chapter 3: Findings

As summarised in the literature review, a gap exists within current academic literature on the use of stories to communicate strategy. This research aims to fill this gap, taking a two-stage approach to explore the use of stories in strategy communication. As such, three research questions have been asked:

1. To what extent do New Zealand organisations use stories to communicate their strategies?
2. What motivations underlie the use of stories to communicate strategy in New Zealand organisations?
3. When considered from multiple perspectives, what influences do stories have on strategy communication in New Zealand organisations?

Phase one of this research has taken a document-analytic approach to explore the first research question posed above, with a sample of 19 Wellington-based NZX-listed companies annual reports from the past three years analysed.

Introduction to annual reports

Prior to analysing the extent to which stories are present in annual reports, it is of benefit to develop an understanding of the regulations that govern annual reports, their audience, purpose, content and style. These are discussed below.

Regulation

First and foremost, annual reports are regulated documents, with rules from a range of bodies governing their production and content. New Zealand company law (primarily the 1993 Companies Act) defines who must produce annual reports, along with what they must include and the format in which content must be presented. Further to these legal obligations, NZX-listed companies also face New Zealand Financial Markets Authority requirements and NZX listing rules, which further detail additional disclosure requirements.

Specifically, in addition to the financial statements required by the Companies Act 1993, an annual report must contain the following: Disclosure of relevant directors' interests, details of all substantial security holders, the governance policy of the company, and a description of all material aspects of the business and its operations, along with those of its subsidiaries

(NZX, 2017). Supplementary to regulations governing the content of annual reports, NZX-listed companies often follow voluntary reporting standards such as those outlined by the Global Reporting Initiative (GRI).

Audience

A second important aspect to note when analysing annual reports (and text documents in general) is the audience they are aimed at (Bryman and Bell, 2015). NZX-listed organisations must have publicly available annual reports, and therefore they have a potentially vast audience. However, some participants within phase two of this research noted that annual reports are primarily aimed at investors. They noted that smaller companies tended to use annual reports as a centrepiece in their communication to investors, whereas large companies saw annual reports primarily as compliance documents, read by retail investors (retail investors are defined as smaller, non-professional investors who have smaller amounts of capital and experience, whereas institutional investors are professional investment firms). While useful for institutional investors, these larger and often more influential investors likely have additional ways of monitoring organisations' strategies and performance.

Purpose

In addition to having some different views on the audience of annual reports, some participant views also diverged in relation to their purpose. Once again, smaller companies saw annual reports as centrepieces in their communication repertoire, used to communicate all facets of the business. This differed in larger companies, who saw annual reports as an opportunity to communicate with (retail) investors but largely irrelevant to our institutional investors.

Communication style

While difficult to generalise given the wide range of communication styles utilised by companies in their annual reports, a few features across communication styles stood out.

Symbols / Images

Firstly, symbols / images were widely used in the sample of annual reports to communicate, both factually (such as Z Energy's diagrammatical portrayal of its business model) and symbolically (as per Trade Me's visualisation of itself as a kiwi), images are used extensively to communicate. Whilst not the subject of analysis within this study, the images used in

annual reports could be conceptualised as telling a story themselves, and play a key role in the context in which stories sit. Two examples from Z Energy and Trade Me are presented below.

Figure 3: Z Energy 2016 Annual Report *Z at a glance* image

Figure 4: Trade Me 2015 Annual Report images

Voice

Secondly, the voice which wrote / told annual reports differed, both in terms of the tense and the perspective used to communicate. Many reports speak as if their authors are part of the company, outlining what 'we' have done and will do, while some draw on specific individuals

to provide a unique perspective. In contrast to this are the reports which speak from an external perspective, discussing what 'the company' as an impersonal actor has done.

Formality

The third noteworthy aspect with respect to the style of annual reports is their varying degree of formality. A small selection of annual reports, such as those by NZX itself, are written in a formal tone, with information delivered in a concise, albeit somewhat bland, manner. This contrasts to other annual reports, such as those by Z Energy. Here, the tone is conversational with casual, informal and emotive language used widely. Relating to the previous point about tense, often annual reports written in the first person come across as less formal.

Disclosure

The level of disclosure varied within the annual reports sampled. On the one hand, some organisations disclosed little in their annual report, satisfying the minimum level legally required. Examples include the likes of Promisia, The Colonial Motor Company and Bethunes, where annual reports included only a Chair / CEO address, financial statements, director disclosures and notes to the financial statements. On the other hand, several organisations including Opus, Contact Energy, Meridian Energy and Infratil tend to go into much greater depth regarding their business. Opus, for example, details all its businesses around the globe, its progress against key sustainability targets, landmark projects and a variety of other, non-required information.

A trend noted by participants within phase two of this research (and further discussed later in this research) was that organisations disclose more about themselves than they have in the past. Annual reports, as key documents within an organisation's communication, are reflective of this trend.

Strategy disclosure

It is commonly accepted that annual reports are a valuable source of information on the strategies of organisations (Duriau, 2007). Published research by the likes of Bowman (1984) has utilised annual reports as sources of data to analyse firm strategy, while analysis by Santema et al (2005) has empirically demonstrated that organisations disclose their strategy in their annual reports. Such empirical work was consistent with the findings of my research. Within the sample of annual reports analysed, it can be said that some form of strategy

disclosure was evident in every annual report. However, despite strategy being discussed to an extent within all annual reports, the inconsistent nature of information disclosure found in the annual reports sampled was also evident in discussions regarding strategy. That is, strategy disclosure varied between organisations and reports. Strategy disclosure tended to vary in two ways: in degree, and in method.

Degree of disclosure

Organisations disclosed strategy in their annual reports to differing extents, with some organisations disclosing very little about strategy and others disclosing a substantial amount. At one end of the spectrum are organisations that disclose very little with regard to strategy. Examples of such organisations include TeamTalk, NZX and Chow Group, who all discuss strategy to a minimal extent. Here, a discussion regarding strategy or strategically significant ideas was often found within the Chairman's or CEO's address, with the remainder of the document occupied with financial / regulatory disclosures.

At the other end of the scale are organisations that discuss their strategy in depth, with Chorus' FY2016 Annual Report exemplifying such disclosure. Chorus illustrates its strategy by highlighting the actions it has taken over the year, the perspective its strategy creates through which Chorus views the market it operates in, and the goals which its strategy is working towards.

Method of disclosure

In addition to the varying degree of strategy disclosure evident, the method through which organisations disclosed their strategy differed. Primarily text-based, with the occasional visual aid, strategy was rarely openly discussed, with very few organisations describing what their strategy 'is'. Rather, as is consistent with prior empirical work on strategy disclosure in annual reports by Santema et al (2005), strategy is described in terms of the actions taken in accordance with it or with reference to an organisation's position within a market.

Both Z Energy and Chorus can be used as an example to illustrate strategy disclosure in this form. Starting with Z Energy as an exemplar of strategy disclosure through action, Z illustrates its strategy by discussing at length the actions it has taken that are in accordance with it. On the other hand, while Chorus does disclose strategy through actions to an extent, it utilises

diagrams to illustrate its position within the markets it operates in. Chorus' market overview diagram is presented below.

Figure 5: Chorus 2016 Annual Report market overview

Summary: Introduction to annual reports

As the sole source of data utilised in phase one of this research project, discussing the context in which analysis takes place provides colour and aids in the exploration of the research question. Therefore, this section has introduced the annual reports sampled within phase one this research, drawing on insights from literature, data from the annual reports and comments from participants in phase two of this research.

Phase one: Findings

To recap, phase one of this research utilises Bowen's (2009) document analysis methodology to explore the use of stories in the communication of strategy. Taking a textual analytic approach, the extent to which stories are used to communicate strategy has been analysed. The initial step in the analysis process was to identify the presence of stories, and as such the first section of analysis below describes where stories are present within the sample. After identifying the stories present within the annual reports sampled, the content of the stories is then analysed further with respect to strategy, with current literature drawn on to explore

the degree to which they communicate strategic content. Following this method, and with the context of analysis (annual reports) in mind, the next section describes what was found.

Stories in annual reports

Finding 1: Selected organisation's annual reports display many of the same characteristics as stories

The first evidence that stories are evident within the sample emerges when looking holistically at entire annual reports. That is, when analysing annual reports, several can be said to share many of the same characteristics as stories (as defined by this research) while others can be classified as stories in their entirety, within the bounds of the regulations imposed. To illustrate, each of the four aspects of the definition of stories developed earlier in this research can be seen within annual reports.

Firstly, annual reports are accounts of human actions and decisions occurring over time. By definition, they serve to summarise an organisation's performance over a 12-month period, and all reports sampled discussed actions taken and decisions made.

Secondly, a number of annual reports were told from a clear perspective. Such a perspective, evident through the use of 'we', combined with the content of reports, was evident in a minority of annual reports sampled. To illustrate, take the quote from Z Energy's FY2016 Annual Report:

> *"We're known for selling fuel and petroleum products across the country. But there's more to Z than that. What gets us up in the morning is helping New Zealanders figure out how to get them, their people and the things they buy, sell and create from one place to another, from one task to another, from one job to another as quickly and as hassle-free as we can, in whatever ways we can. And when you understand that about us, everything we'll talk about in this report makes plenty of sense."*

The third characteristic of stories is that of structure which, as defined by Aaker and Aaker (2016), requires stories to comprise a beginning, middle and end that takes their reader on a journey. New Zealand company law imposes requirements on what must be included in annual reports. With these laws in mind, an annual report was considered a story if the non-regulatory section took the reader on a journey from one place to another, likely altering their viewpoint along the way.

The fourth characteristic of stories is that of a discernible plot. An example of such a plot can be seen by analysing Steel and Tube's FY2016 Annual Report. Titled "Stronger Foundations", the report views actions, decisions and events throughout the year from the perspective that they were establishing a foundation from which Steel and Tube can grow. Actions including acquisitions, investment in supply and upgrading IT systems were all consistent with the broader theme that Steel and Tube has indeed been "building stronger foundations" for future growth.

Therefore, when these four characteristics were evident in the annual reports sampled, the annual reports were considered to utilise story. Looking holistically at Z Energy's FY2016 Annual Report to illustrate, titled "Keep on Moving New Zealand" it discusses at length in a thematic sequence the actions the company has taken over the past year, including Z's acquisition of Chevron, its negotiations with central government and straight-up attitude to public relations. Continually referring to itself as "we" emphasises that the report is written solely from the company's perspective. Throughout the report, a clear plot emerges: That Z 'keeps New Zealanders moving'. Such a plot, as evidenced through the sequence of actions presented, communicates a clear message about the company and its commitment. Lastly, the requisite structure of a story is evident: The non-regulatory section begins with an introduction to Z, followed by a detailed presentation of Z's actions and achievements throughout the year, and concludes with an affirmation of Z's commitment to its communities and to ensure they 'keep on moving' in the years to come.

A total of five organisations' annual reports display each of the characteristics of stories (as defined by my research): Z Energy and Steel and Tube (as have been discussed above); Contact Energy; Trade Me; and Infratil. In total, using the definition of stories developed earlier within this research, it can be said that 5 out of the 19 organisations analysed have developed an annual report within the past three years that resembles a story.

A full breakdown of the classification of the use of stories is presented on the following page, outlining the degree to which an organisation's annual report can be considered a story.

Table 1: The extent to which an organisation's annual report can be considered a story

	Presents human actions and decisions	Told from a perspective	Distinct beginning, middle and end equivalent to a journey	Discernible plot
Bethunes	✗	✗	✗	✗
Chorus	✓	✗	✗	✓
Chow	✓	✗	✗	✗
Colonial Motor Company	✗	✗	✗	✗
Contact Energy	✓	✓	✓	✓
Chatham Rock Phosphate	✗	✗	✗	✗
Ike GPS	✗	✓	✗	✓
Infratil	✓	✓	✓	✓
Meridian	✓	✗	✗	✓
New Zealand Oil and Gas	✗	✗	✗	✗
NZX	✗	✗	✗	✗
Opus	✓	✗	✗	✗
Promisia	✗	✗	✗	✗
Steel and Tube	✓	✓	✓	✓
Summerset	✗	✗	✗	✓
TeamTalk	✓	✓	✗	✓
Trade Me	✓	✓	✓	✓
Xero	✗	✓	✗	✓
Z Energy	✓	✓	✓	✓

Key:

✓	**Yes**
✗	No

This table speaks volume regarding the extent to which annual reports are considered to include characteristics of stories. It illustrates that the most common characteristics annual reports share with stories are their plots (annual reports often appeared as arguments constructed to illustrate themes), and that they are accounts of human actions. It also shows why many annual reports do not resemble stories, as they do not share the requisite beginning / middle / end structure nor appear to be told from a particular perspective.

Finding 2: The Chairman's / CEO's address in annual reports can be seen as a story

Moving away from considering annual reports holistically, and towards analysing their individual segments, it can be said that the Chairman's / CEO's address within them often

resembles a story. As a regulatory requirement, all annual reports analysed within the sample contained either a combined Chair / CEO address, or separate addresses from the Chair and CEO. Often termed a CEO's / Chair's letter, they generally discussed an organisation's performance over the year of the annual report, along with a variety of other information including operational highlights, substantial changes to or within the organisation and environment, and the future of the organisation.

Immediately apparent is that both stories and these addresses are written from certain perspectives. As defined by Bruner (1990) and summarised by Liu and Riad (2006), for a story to be a story it must be told from a certain perspective. By default, Chair / CEO addresses are written from a certain perspective (the Chair / CEO), and analysis of the content of these addresses further supports this assertion.

To illustrate, take Chorus Chairman Sue Sheldon and CEO Mark Ratcliffe's address to shareholders in Chorus FY2014 Annual Report. The address talks of the "frustration" felt by the Chorus board and management regarding regulatory changes, as well as the "regrettable but necessary" actions taken to manage Chorus' cash position. Also discussed is that the board is "acutely aware" of the loss in value of Chorus shares, but that it now has "clarity in its strategies to address issues" still faced by the organisation. Emanating from these statements is a clear sense of perspective, one which tells of events from a particular viewpoint of the organisation adapting to changes in a challenging environment.

Also evident with the example above (along with other Chair / CEO addresses) is the requisite structure of a story. As is highlighted above, Sue Sheldon and Mark Ratcliffe tell of Chorus' journey over the year via a beginning, middle and end. The story begins by outlining the frustration felt at regulatory changes, before detailing in depth the actions Chorus has taken throughout the year to mitigate their impact, and concluding with comments regarding how the board and management now have clarity around a strategy for the future.

Such journeys, also evident in several annual reports, fit with a third characteristic of stories: that of plot. Chorus' progress throughout the year is illustrated, with the plot communicating the obstacles Chorus has overcome, and its transition from frustration to future clarity.

The fourth characteristic of stories, that they present human actions and decisions as a sequence, also fits with the Chair / CEO addresses analysed. Some addresses (such as that in

Chorus' FY2014 Annual Report) present a time-linear sequence of events. Others present events not based on time, but rather based on each event's impact. However, all discuss actions and decisions made by the firm and its people over the prior year.

To summarise the second finding of this research, Chair / CEO addresses within some annual reports often resembled stories. The similarities were driven by the perspective that emanated out of the addresses, along with the deliberate presentation of actions and decisions in a thematic or temporal fashion and the plot or message each address communicated.

Finding 3: Three organisations were prolific users of micro-stories within their annual reports

This research has established that annual reports and specific sections within them share many of the same characteristics of stories. For five organisations, their entire annual report can be seen as a story, fitting with definition of stories taken by this research project. In addition, the Chair / CEO addresses present within some annual reports can also be considered stories, presenting human actions temporally from a clear perspective.

However, the use of stories to communicate strategy is not limited to annual reports holistically or the Chairman / CEO addresses within them. As was alluded to within the literature review section of this thesis, a substantial amount of research (labelled practical research) is based on the premise of identifying, isolating and analysing the smaller, micro-stories that organisations tell. Taking the lead from such research, in order to uncover the extent to which stories are used to communicate strategy, annual reports have also been searched for micro stories, vignettes within them that fit with this research project's definition of stories. Having done this, and identified stories using this method, it can again be said that stories seem to be deliberately told by some organisations.

As per the previous two sections, not all organisations utilise micro-stories to the same extent. To capture these differences, each organisation is plotted on the spectrum on the following page, illustrating the extent to which micro-stories were used.

Table 2: The extent to which an organisation used micro stories to communicate strategy

	Presents human actions and decisions	Told from a perspective	Distinct beginning, middle and end equivalent to a journey	Discernible plot
Bethunes (2014)	✓	✓	✓	✓
Bethunes (2015, 2016)	✗	✗	✗	✗
Chorus	✓	✓	✗	✓
Chow	✓	✓	✗	✗
Colonial Motor Company	✗	✗	✗	✗
Contact Energy	✓	✓	✓	✓
Chatham Rock Phosphate	✗	✗	✗	✗
Ike GPS	✓	✓	✗	✓
Infratil	✓	✓	✗	✓
Meridian	✓	✓	✓	✓
New Zealand Oil and Gas	✗	✗	✗	✗
NZX	✓	✗	✗	✗
Opus	✓	✓	✗	✗
Promisia	✗	✗	✗	✗
Steel and Tube	✓	✓	✓	✓
Summerset	✓	✗	✗	✗
TeamTalk	✓	✓	✗	✓
Trade Me	✓	✓	✗	✗
Xero	✓	✓	✗	✓
Z Energy	✓	✓	✓	✓

Key:

✓	**Yes**
✗	No

The table above provides insight into the use of micro-stories. It highlights that five organisations used micro-stories: Bethunes (in only their 2014 Annual Report), Contact Energy, Meridian, Steel and Tube and Z Energy. It also highlights where organisations used some, but not all of the characteristics of stories. Annual reports, as reviews of an organisation's action over an annual period, often contained sections that presented sequences of actions and decisions. Further, parts are often told from a clear perspective. However, it was less common for a clear plot to emanate through these vignettes of text, and rare for organisations to communicate through vignettes in the requisite structure of a story.

Three of the organisations that use utilised micro-stories are now discussed in depth.

Contact Energy

Stories were widely utilised in each of the three Contact Energy Annual Reports analysed in this study. In FY2014, one of the first stories told is that of Contact's relationship with Ngati Tahu. Told from Contact's perspective, the story begins by discussing the long history of issues between the company and Ngati Tahu, the owners of the land that Contact's Ohaaki power station is located on. After setting the scene, a "fresh opportunity" arises, with the potential to allow both groups to "come together", "develop solutions that are mutually beneficial", and foster a relationship built on trust. The story concludes by noting the successful signing of a 35-year agreement between Contact and Ngati Tahu, which institutionalises communication between both groups and is founded on an appreciation of Ngati Tahu's cultural values.

In addition to the Ohaaki story, numerous others are told from Contact's perspective regarding actions it has taken, placing the spotlight firmly on specific actions taken and decisions made. However, rather than simply telling stories from its own perspective, Contact includes in its annual report four additional stories, each of which takes up two pages of the report, told from the perspective of stakeholders that deal with the organisation.

Each story, told by a Wellington family, a regional councillor, a brewer and a Ngati Tahu trustee respectively, presents an external perspective of Contact. The first, titled *Home Sweet Home*, tells of the benefits of Contact's energy, and the happiness it can bring to ordinary New Zealanders, along with the understanding, flexible nature of the company's customer service team. The second provides an example of Contact's dealings with its stakeholders, showing how the company fosters relationships while also illustrating Contact's positive influence on the environment and communities it operates in. The third story within the report comes from one of Contact's business customers: The Brewery. Here, The Brewery founder Alasdair Cassels tells of the quality of Contact's customer service, emphasising the genuine nature of Contact's relationships and advice. The last of the four stories, told by Ngati Tahu trustee Aroha Campbell, relates to Contact's earlier story about the Ohaaki partnership. Unlike the earlier Ohaaki story, which was presented from the perspective of Contact, this is told by a Ngati Tahu representative, who describes how her perception of Contact changed throughout the process, and that the relationship between Ngati Tahu and Contact has evolved to become mutually beneficial for both parties.

Contact's FY2015 and FY2016 Annual Reports also use stories, but in a slightly different way. While Contact still tells stories about itself (perhaps more so than in FY2014) and the stories of its employees are also included, the stories told from an external perspective are not present.

Meridian

The second prolific user of stories is Meridian Energy, a State-Owned Enterprise operating in the same industry as Contact: Energy generation and retailing. Despite not utilising stories to a great extent in its FY2014 Annual Report, Meridian deploys them in both FY2015 and FY2016.

Within Meridian's FY2015 Annual Report, four stand-out stories are told. The first, titled *A Team Effort*, tells of the actions Meridian took to replace three transformers at its Manapouri Power Station, which is located within Fiordland National Park. The story recounts the project, from when it was realised that the transformers needed updating, to how Meridian worked with stakeholders and managed logistical issues, to how the project was successfully completed with minimal disruption to tourism or the pristine national park environment. Told by Meridian, with help from involved stakeholders and company employees, the story illustrates Meridian's commitment to the environment, willingness to collaborate and ability to succeed.

Meridian's second story plots the conception, development and success of one of its subsidiaries: Powershop. Focusing specifically on Powershop's investment in customer service and its local community, the Powershop story is one of success, mutual benefit and nationalism on the part of Meridian.

Having already illustrated its collaborative approach to business, commitment to customer service and environment, and ability to succeed, Meridian then tells of its technological capabilities. A story telling of the successful roll out and implementation of Meridian's Smart Meters is included, with a third-party perspective from Victoria University providing external validation to back up the story.

The last story told by Meridian in its FY2015 annual report, *The Price of Power*, illustrates the company's sympathetic, caring approach to dealing with its customers. Meridian is presented as understanding the difficulties their customers face when paying their power bills, with its

flexible payment options and credit care division ready to help when needed. Meridian's involvement in an industry working group "dedicated to improving outcomes for vulnerable customers" is also recalled and discussed. Such a story presents Meridian's actions as kind and caring, two humane qualities that suggest it can understand and help its vulnerable customers.

Stories of a similar ilk are again used by Meridian in its FY2016 Annual Report. The first tells of the importance the company places on water, and its commitment to taking care of New Zealand's most valuable resource. Meridian's second story centres around a single action (its running of a surf camp at Raglan for children), while the third tells of Meridian developing world-leading expertise in wind farm maintenance. The last story told is about the iconic Brooklyn Wind Turbine in Wellington, and Meridian's upgrade of the landmark across the past three years.

Z Energy

The last of the three prolific users of stories of the 19 organisations analysed is Z Energy. Across all three of Z's annual reports included in this sample, numerous stories were told. However, what is particularly interesting to note with Z's use of stories was their fragmented nature. Whereas both Contact and Meridian told stories in a structured way, either as a separate section of the report or as evidence to support an assertion, Z's use of stories is relatively disjointed. Z used a much greater variety of stories, all of which were typically shorter and less structured than those told by Contact or Meridian. Further, Z's stories were told from numerous perspectives, and were much more prevalent than any other organisation sampled.

For example, Z's FY2014 annual report is saturated with stories, so much so that the majority of the first section is presented entirely as a number of short stories. Stories are told about a variety of different actions, events, decisions and occurrences, ranging from Z's Initial Public Offering which it completed in FY2014; to detailing the behind the scenes transformation Z's fuel takes from refining to being sold; to how the company is investing in New Zealand with its *Good in the Hood* and *Biofuel* initiatives.

While not utilised to the same extent in its FY2015 and FY2016 Annual Reports, Z still uses stories to a high degree to communicate key aspects of their business. In FY2015, Z tells stories

on subjects ranging from their block hero campaign, to the speed of filling up a car, to their commitment to delivering high quality customer service. Z's FY2016 annual report follows a similar trend, whilst also directly referencing the organisation's "big stories of the year".

Summary: Stories in annual reports

Through sampling Wellington-based, NZX-listed organisations, a range of stories and approaches to story presentation have been found to be told within the annual reports of these organisations. Specifically, stories can be seen to take three forms: Firstly, a selection of organisations' annual reports as a whole can be considered stories, with the necessary structure, content, perspective and plot. Secondly, the required Chairman / CEO address in annual reports often takes the form of a story, with emphasis placed on the pattern / coherency applied by the speaker to make sense of their organisation's actions. The last form in which stories are evident are the micro stories specifically included by organisations, which often describe actions, decisions or events in detail.

Stories and strategy

As has been previously outlined, annual reports are recognised as documents in which strategy is communicated. Therefore, simply by finding stories in a document used to communicate strategy suggests the proposition that stories are used to communicate strategy has support. In other words, the presence of stories in annual reports does (by default) demonstrate that stories may be used to communicate strategy to an extent.

However, such an assertion fails to account for the content of stories told, and also the meaning they transfer. By delving deeper into what the stories told are about, it becomes clear that many of the stories told contain themes or concepts related to each organisation's strategy. Drawing on current theoretical literature on the use of stories in strategy, it can be argued that some stories provide insight into the strategies of organisations, frame actions as in accordance with strategy, and tell of strategic change. The following section addresses the extent to which these occur.

Finding 4: Stories can provide insight into strategy

One of the key aspects of stories, and indeed one of the principles underlying the definition of stories taken by this research project, is that stories transfer meaning. As was discussed in the literature review section of this thesis, literary theorists such as Bruner (1990) and

Simmons (2007) have established that stories are effective in communicating from author to reader. Stories are seen as a powerful, persuasive method of transferring knowledge, and a method of communicating that builds a connection with the reader, providing a sense of depth and presence to a message to ensure its transmission (Simmons, 2007).

The notion that stories are effective in communicating messages / meanings that their readers interpret has been identified by strategy researchers. Stephen Denning has written various articles outlining the benefits of stories as a method of communicating (see Denning (2006) as an example) while Martens et al (2007) explore the persuasive power of stories when used to acquire resources. Carriger (2011) has empirically shown stories are a more effective communication method than bullet points, and Aaker and Aaker (2016) argue that stories are effective in communicating as they involve their reader and spawn social communication. Using such theory as a basis for inquiry, the messages and themes contained within the stories told by organisations have been analysed for strategic content (as defined in the literature review).

One such story, which when analysed can be said to communicate an organisation's strategy, is the Powershop story told by Meridian in its FY2015 Annual Report. Told by Meridian with help from Powershop's Customer Service Manager, the development and successes of Powershop are presented. As a subsidiary of Meridian, Powershop is presented as having become "a powerhouse when it comes to customer satisfaction", winning recognition for its innovative, down to earth approach to customer service. Powershop's unfaltering commitment to delivering the best customer service, along with the processes through which such outstanding service is delivered, are emphasised in the story. When considering the meaning this story conveys, it becomes apparent that Meridian is not only emphasising Powershop's competitive advantage, but also disclosing its subsidiary's strategy: that Powershop's strategy is built around delivering best in class customer service.

The same notion, that some of the stories told by organisations communicate strategic messages or provide insight into strategy, is evident in Z Energy's FY2014 Annual Report. One of the many stories told by Z concerns its shareholding in Refining New Zealand, and its ongoing commitment to support it. By introducing Refining New Zealand as a critical piece of infrastructure within Z's supply chain, the story tells of Z's partnership and investment with the company to maximise its supply chain efficiency. As told by Z:

"By working more closely with Refining NZ we can jointly deliver the most optimal plans that will allow refining efficiency gains to be realised and, in doing so, deliver better financial results for Z and the refinery"

Such a story can be seen to provide insight into Z's strategy to deliver shareholder returns, through optimising its supply chain and reducing the cost of its raw materials. Z also appears in the story as willing to invest now to secure a long term, lower cost supply of raw materials. As will become clear below, this message of investing now in its supply chain to secure long term prosperity is consistent within and across the multiple stories Z tells.

A second story communicating Z's strategy of investing now to secure a lower cost future supply of raw material is told regarding Z's commitment to investing in biofuel. Readers are told of the four years of planning and analysis that has gone in to securing a site on which biofuel will be produced, along with the work being undertaken to secure a long-term supply of tallow (a key ingredient in biodiesel). By telling an in-depth story about its commitment to develop a sustainable, long lasting alternative to fossil fuels, Z's willingness to invest now to secure future prosperity is once again illustrated.

To summarise, it has been argued that some organisations utilise stories to communicate. This section adds to this argument, by noting that (in some of the stories told) some the messages or themes within the stories told by organisations tell of, and provide insight into, their strategies.

Finding 5: Stories sometimes framed actions as in accordance with strategy

As was discussed at length in the literature review section of this thesis, in addition to transferring meaning from author to reader (Bruner, 1985), stories have long been considered structures through which events are made sense of (Brown and Rhodes, 2005). As such, telling a story about a particular action, decision or event can influence how the reader perceives or interprets it. With regard to an organisation's emergent or realised strategy, stories could theoretically be a powerful tool that could be used to influence their readers' perception of actions, decisions or events as consistent with an organisation's strategy. Examples of this notion evident in the annual reports analysed are detailed below.

One of the stories told in Meridian's FY2016 annual report concerns Meridian's Tamariki Surf Camp. At first glance, it seems strategically inconsistent for Meridian Energy, a large power

generator, to be holding a surf camp for 12 children in Raglan, a small town on New Zealand's West Coast. However, by presenting the camp as part of a wider story, one that tells of Meridian's commitment to their communities and the strategic importance of connecting with them to operate effectively, holding such an event begins to fit within their strategy. As the story goes:

"The Meridian Tamariki Surf Camp 2016 allowed us to connect with our communities in a way we've never done before. Strong relationships with those located near our wind farms and hydro stations are essential to Meridian's continued operation. It was great to be able to recognise these communities and do something unique to thank them. The camp was an inspiring experience for all involved."

A second example, once again from Meridian's FY2016 Annual Report, supports the idea that stories can be used to frame actions as strategically consistent. Within this story, Meridian presents their decision to move wind farm maintenance in-house. As stated in the annual report:

"Meridian has always been proud of its wind assets and of being a pioneer of wind development in New Zealand. As part of creating a better energy future we are always looking for ways to work smarter. This is why we have made the move to in-source the maintenance of our wind farms, allowing Meridian to share knowledge and work practices across multiple sites, deliver savings, standardise health and safety practices, and create jobs for Kiwis"

Once again, Meridian is presenting an action as consistent with its wider strategy, in addition to creating shareholder value. As Meridian summarises:

"By bringing wind farm maintenance in-house we have also established a critical mass of skilled technicians, ensuring that we are able to have a sustainable wind generation business in New Zealand"

Finding 6: Stories are infrequently used to tell of strategic change

As was discussed in the literature review, a relatively substantial body of research within both the ontological and practical spheres has explored the idea of stories and strategic change. Within the ontological sphere, Dunford and Jones (2000) undertake an empirical narrative analysis exploring strategic change. Dunford and Jones conclude that narratives are

constructions that configure events to give them meaning, create a journey, and give purpose to the actors within them. Sonenshein (2010) also conducts a narrative analysis, and through piecing together fragments of discourse finds that managers tell stories to enact strategic change, while employees embellish these stories to make sense of and respond to the change. Meanwhile, from a practical perspective several studies by the likes of Taylor (1999) and Berry (2001) have interviewed individuals and asked them to recall their stories of a strategic change process, using these stories their source of data (Taylor, 1999; Berry, 2001). Such a methodology, argue Berry and Taylor, is based on the notion that stories are vital sensemaking devices that are conceived and told by individuals.

With the recognition that stories can play a role in the sensemaking process in mind, when analysing the data within the annual reports sampled it appeared logical to search for stories in which organisations communicated a strategic change. One example of such a story can be found on page 24 of Contact Energy's FY2016 Annual Report. Titled *Leading with Safety*, Contact Energy tells a story about the introduction of its *Safe to Run* safety program. Its introduction is seen as a journey, with the story telling of *Safe to Run's* successes to date, along with the "significant shift" in behaviour its introduction has caused. Therefore, it could be argued that Contact tells a story to help the readers of its annual report make sense of its introduction of *Safe to Run*, and to try demonstrate that the organisation is proactively upgrading its health and safety practices.

However, Contact's story about driving change appears to be the only change-focused story within the sample. Such a finding is surprising, given the emphasis current published literature places on the role of stories and narratives in strategic change. This disparity may possibly relate to the sample selected - annual reports, as formal documents, may be less likely to tell stories in comparison to individuals communicating their views or understandings.

Summary: Phase one

The above section of analysis details the findings that emerge when taking a textual-analytic approach to explore the extent to which organisations use stories to communicate their strategy. When defined as text that presents human actions and decisions in a sequence, told from a specific perspective, that has a distinct beginning, middle and end equivalent to a

journey and with a discernible plot, stories were evident within some of the annual reports sampled.

Further, stories were found in three forms. In some cases annual reports could be considered stories; the Chairman's / CEO's letter often takes the form of a story; and micro-stories are told by select organisations within their annual reports.

Drawing on advances within literature on storytelling, narratives and strategy, the content of the stories evident in the sample was then analysed. A selection of stories told were found to communicate strategy, when strategy was defined as both intended and emergent, something an organisation has and whose essence is *"the dynamics of the firm's relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance by means of the rational use of resources" (*Ronda-Pupo and Guerras-Martin, 2012, p.180).

The communication of strategy in a story, when defined in this way, was conceptualised as fitting broadly within three categories: the stories told at times provides insight into strategy, framed actions as in accordance with strategy, and on occasion described strategic change.

However, recalling the limitations section presented earlier in this research, whether these stories were intentionally crafted and written to communicate strategy in these three ways is a question which remains unanswered. Nor has it been established as to why organisations may or may not choose to utilise stories to communicate strategy rather than other potential communication tools. Further, little consideration has been given to recent advances in research by authors such as Hardy et al (2000), Kaplan (2011) and Ezzamel and Willmott (2011) who argue that communication is constitutive of strategy. Phase 2 of this research, presented in the following section, looks to address many of these limitations, through interviewing strategy creators, communicators and interpreters to further understand the role and use of stories in strategy.

Phase two: Findings

One aim of this research project was to explore the use of stories in strategy communication. Given the first section has explored the extent to which stories are evident and contain strategic content in annual reports, the focus now turns to why they are used from the perspective of various constituents of the strategy communication process.

Guided by interpretivist research practices as described by Bryman and Bell (2015), Leitch et al (2010) and Mantere and Ketokivi (2013) the following section of this thesis presents the exploration of the second and third research questions. As such, it explores the motivations underlying the use of stories in strategy communication, and the influence of stories on strategy communication from various perspectives. To address these questions, 7 stakeholders from the strategy creation, strategy communication and strategy interpretation fields were interviewed. Each interview lasted between 20 and 60 minutes and was structured depending on which stakeholder group participants emerged from. The interviews took place over a period of two months in early 2017.

As per interpretive research, the themes and subsequent insights developed draw on what was found in phase one of this research project, prior academic research and data gathered from interviews within phase two of this research. The conversation that occurred between theory and data to develop these themes and insights is reflected in the following sections of this thesis, beginning with the first of three themes: that the value from the use of stories is recognised. From this, the second theme arising in phase two of this research is discussed, that stories were rarely used intentionally to communicate strategy, with their only primary use being to paint a picture of the future. Lastly, and as an expansion of the original remit of this research, the role of stories in strategy creation is mooted and explored. The insights arising from each of these themes are discussed throughout.

The value from the use of stories is widely recognised

While the interview schedule utilised varied slightly depending on each individual participant and their role in the strategy communication process, most interviews began with questions on storytelling in organisations. While originally intended to act only as a segue into a discussion about the use of stories in strategy, participants talked at length about the value of stories, and their prominence in organisations. Therefore, emerging from these discussions was a clear, consistent theme suggesting that the value of stories to communicate is widely recognised.

Much has been written in literature about the value of storytelling with a brief summary drawing predominantly on Simmons (2007) presented in the literature review. What became evident when conducting phase two of this research was that participants recognised the value of stories, a factor which motivated them to use stories in various facets of

organisational life. Based on their views, it can be argued that stories are valuable communication tools in five interrelated ways.

Firstly, and consistent with prior academic literature on stories, the simplicity of stories and their ability to summarise complex concepts into something easily understandable was recognised as a key motivator underlying their use. As noted by one interviewee:

> *"stories provide a bit of a window in for audiences to understand big abstract and complex ideas" (Communicator 1)*

Interviewees who were members of organisations who used strategy prolifically reinforced this notion, with one participant stating:

> *"they are looking to communicate very big picture ideas and strategies in a simple form, so that their audiences can understand them" (Creator 3)*

Further evidence that supports the notion that stories can communicate complex ideas effectively emerged when discussing values:

> *"stories are really useful when talking about values. You can have a value of integrity but it doesn't mean anything until you start to understand the context in which the behaviour is being shown…. And so what you want is a story that demonstrates the behaviour that you're after, not the word that the value is" (Creator 3)*

Secondly, the ability of stories to provide colour, context and depth over and above case studies or standard reports was raised by several participants. One strategy creator in particular discussed at length this idea. When asked where they had seen stories to communicate, they said:

> *"I think we use stories to remind ourselves, remind ourselves of what's gone wrong. That sounds more negative than I mean it to. But for example, we were working on an IT project (at their organisation) and the previous project we'd done with that supplier had gone quite badly wrong. So once again that kind of mythology built up around the things we have to be careful about with this particular supplier. And that's all, that was very story based" (Creator 1)*

Later, they also noted:

"I think also we do, when we're trying to fix problems, build tension. One of the things that I was doing at (their organisation) was trying to reduce the error rate we had. And so every time we had an error we would record the story that went with the error, who did what, what the outcome of that was, and what did we learn from it in a fuller way than a standard error report, to try and see if there were themes that ran through them that might not be obvious" (Creator 1)

Thirdly, there was a strong consensus from all interviewees within the study regarding the use and ability of stories to connect with their audience. While discussing stories and shareholder communication, one strategy creator noted:

"The other thing I got into was a letter to shareholders, and shareholder communication in between annual reports and half year reports, and once again a lot of use of stories, and based on the assumption that people will remember things in stories, more than they'll remember numbers. Talk about some of the neat stuff the company had been doing or something about the individuals in the company and personal things that had been happening, just to try and build an emotional connection between shareholders and the company, rather than just it being a simple investment" (Creator 2)

Another participant, when asked generally about the motivations behind the use of stories, noted:

"stories create drama for readers and interest that normal facts and figures and metrics and things don't tell. So they're a very important way for companies and communications people to get messages across. You're often able to personalise ideas for people and put them in there make an idea understandable from your point of view that they might not be able to understand" (Communicator 1)

A third participant summarised the ability of stories to create a human connection between their author and reader:

"I think that people's stories are really important and really powerful. We are looking at the likes of, one of the (investor) calls (he) was talking about, results

internally, where for our half year results presentation we used to have (the CEO) sitting in front of slides and a camera. This year it will be (the CEO) talking for three or four minutes, and then stories of people around the company and what's happening. And in our most recent internal communications survey, people are most interested about other people and what they do. So that once you connect that people element, it just becomes more interesting for people and they tend to engage. If you look at things that go on our internal website, the most clicks on them are stories about people, it's that kind of stuff. So I think there's a personal element to it that people engage with" (Communicator 2)

The fourth beneficial characteristic of stories discussed was their role in communicating a vision for the immediate future. In the same vein as Simmons (2007), who argues that stories can transport the reader to an alternate reality (one which helps them better understand the logic behind actions to be taken), stories were described as beneficial when communicating a vision or a state an organisation aspired to. These benefits were seen to arise as stories relax the assumptions individuals make, and help transport the reader to an alternate reality without having literally to take them there.

As one participant noted:

"if you are trying to get someone to visualise a different future, then a story becomes important because it's really hard to visualise something unless someone can tell you how it is, how it feels, how it's different from now… If you want someone to visualise something different, to think outside the box about what could be, it is a really powerful tool to tell a story about a different world…. Because it kind of opens a person's mind to what could be rather than giving them a set of facts which might constrain them to what is the now" (Creator 3)

Lastly, participants within the study understood the value of stories in the sensemaking process. With specific reference to organisations, participants noted that people construct stories or narratives in which the organisation or key people within it are the actor(s), in order to understand the organisation, its context, and its identity.

Drawing on the thoughts of a strategy interpreter interviewed, it can be said that they make sense of a company's investment proposition through stories. When asked how they conceptualise a company and its story, they noted:

> "When I think about a company's story, I sort of conceptualise it as having two stories. There is what you have kind of touched on, the corporate history, where it's come from, and that kind of nominal story of how it's got here. (But) in the office I'd use story as, if you're going to pitch it to somebody now, what's the investment thesis for the company. Is it in a good macro environment, with a good safe pair of hands, that it's going to grow, that's kind of the company story" (Interpreter 2)

While the term sensemaking was not raised by interviewees, we can draw on literature to reinforce the notion that stories are used in sensemaking. To quote Rhodes and Brown (2005, p.170) to illustrate:

> "There is a broad consensus among narrative scholars that sensemaking refers to processes of narrativization, that our versions of reality take narrative form, and that stories are means of interpreting and infusing events with meaning".

Prior to summarising the first theme within phase two of this research, the lack of use of the term sensemaking is worthwhile noting. Perhaps this illustrates the subconscious the role stories play in constructing our reality, as mentioned by Brown and Rhodes (2005).

To summarise, the first theme that emerged from phase two of this research project was that the value from the use of stories was widely recognised. Further, the value of stories was broadly seen in five aspects: stories summarise complexity into something simple, provide colour over and above facts, connect with their audience, clearly communicate a vision, and play a role in the sensemaking process.

What also became apparent was that storytelling was not confined to organisations who were identified as prolific users of stories in phase one of this research. The assertion (which can be made given stakeholders from organisations at both ends of the storytelling spectrum were interviewed) acts as a reminder of the limitations present when using annual reports as a source of data to identify storytelling, suggesting that they may not fully reflect organisational communication as a whole and of strategy in particular.

Having established some primary motivations that underlie the use of storytelling in organisations, and previously explored the extent to which stories are present in the communication of strategy, this research reached a critical point. While the motivations behind why stories may be used to communicate generally have been established, precisely why stories are (or are not) used to communicate strategy remained unclear. Therefore, the next section of this thesis presents the second key theme present within the data, which not only discusses the extent to which stories are used to communicate strategy, but also why stories are used to communicate strategy.

Stories are rarely intentionally used to communicate strategy, with their only primary use in strategy being to paint a picture of the future

Drawing on the annual reports of 19 Wellington-based, NZX-listed organisations, phase one established that some of the stories told by organisations provide insight into their strategies. Further, when meshing these data and the academic literature on storytelling and strategy, it could be supposed that some stories were used to communicate strategic ideas, frame actions as in accordance with strategy, and communicate strategic change.

However, when discussing why stories were used with strategy creators, strategy communicators and strategy interpreters, it became apparent that stories were rarely intentionally used in annual reports to communicate strategy. Further, the insights they provided into an organisation's strategy could merely be a by-product of their objective: to connect with small retail shareholders.

Stories were rarely used to communicate strategy

This theme emerged when discussing the use of stories in annual reports with stakeholders from organisations who were categorised in phase one as using stories to a large extent. To quote one participant to summarise this theme:

> *"I think they (stories) have a really strong place when you're trying to connect with a mass audience or a diverse kind of audience, because people can connect with the story a little bit. I think just having a face is kind of good but you also don't just want talking heads necessarily, so there's times where you want a variety to it as much as specific audiences. I think for investors stories are hard work because they just want a number, they want to know this and that. I think*

with media stories are perhaps more powerful because you get quotes out of
them, things like that that are probably more useful" (Communicator 2)

It was surprising that stories were not more evident in strategy communication, given existing arguments which see storytelling as having the ability to reconstruct events and give meaning to strategic change (Vaara and Pedersen, 2014; Dunford and Jones, 2000). With reference to the role of stories in framing actions, authors like Bruner (1990) and Brown and Rhodes (2005) have advocated that stories have the ability to change how one perceives events. Applying this idea to strategy, it would appear logical to argue that one could frame an event as in accordance with strategy by telling a story around it. However, while plausible, this was not noted by any participants as something they had seen, or something that would motivate them to tell stories.

The same can be said for literature on stories and strategic change. Ontological narrative researchers such as Dunford and Jones (2000) and more recently Sonenshein (2016) have constructed and analysed narratives about strategic change from fragments of discourse. And while less prominent, practice researchers within the strategy and story field have also explored the role of storytelling in strategic change (an example of such research includes Taylor's (1999) exploration of the stories managers tell about strategic change). From such research, it was deduced that organisations who were about to embark on a strategic change process, or those who had recently completed such a change, may tell stories about the process to their stakeholders. And while it was found that stories are used to share visions of the future (as is discussed further below) no stories were specifically told regarding patterns of actions relating to a change in strategy (where strategy was defined earlier in this thesis as actions, decisions or events regarding resources and with recognition of the external environment taken in order to achieve goals).

Adding to the surprise noted above was the willingness of some participants to tell stories in other contexts, and their understanding of the benefits of stories. As has been previously established, participants recognised the benefits of storytelling in communicating, with five main benefits highlighted in common across the interviewees. Yet, when it came to communicating strategy, stories were utilised to a minimal extent.

When used, stories communicated a vision / 'paint a picture' of the future

Therefore, while stories communicated strategy as suggested in phase one of this research, they were not intentionally used to frame actions as in accordance with strategy, nor communicate strategic change. Where this occurred, it appears to have been inadvertent. However, from interviewing participants in phase two of this research it became apparent that where stories had been used intentionally in strategy was as a tool to communicate a vision of the future. Doing so appeared to be motivated by a recognition of the value of stories, especially that stories have the ability communicate ideas in a way that relaxes assumptions (or rigidities in mental models), transporting the reader from their reality to another.

To illustrate, when one strategy creator was asked about the use of stories in strategy, they responded:

> *"in an actual strategy setting … sometimes organisations try to paint a picture about what they want to be, and what they want to look like. If we achieve what we want, then this is what will happen, so you sort of see some storytelling in there" (Creator 1)*

A requote of a strategy creator also illustrates this idea:

> *"if you are trying to get someone to visualise a different future, then a story becomes important because it's really hard to visualise something unless someone can tell you how it is, how it feels, how it's different from now… If you want someone to visualise something different, to think outside the box about what could be, it is a really powerful tool to tell a story about a different world…. Because it kind of opens a person's mind to what could be rather than giving them a set of facts which might constrain them to what is the now" (Creator 3)*

Why stories were not used more to communicate strategy

A somewhat paradoxical consideration therefore emerges. Participants understood the value of storytelling and deployed stories within their organisations. And as illustrated in phase one of this research, some stories were evident in annual reports. Yet despite stories being an accepted and common method of communication, they were rarely used to communicate

strategy or a strategic message. The first reason for why this paradox appeared to occur seems to be the importance of clarity and consistency in strategy communication. This emerged when interviewing a strategy communicator, who noted:

> *"The key to good strategic communications is that there's consistency across all of those audiences because the moment that you're communicating different information to different audiences is the moment you get into trouble" (Communicator 1)*

Returning to the definition of stories taken by this research project, stories are a communication mechanism in which the reader plays a role in constructing the story's meaning (Bruner, 1990; Liu and Riad, 2006). Therefore, given the reader plays a role in the meaning construction process, stories allow for a degree of inconsistency when a message is being communicated. When it comes to communicating strategy, stories may therefore fail to provide the consistency required or seen as desirable.

This idea (that strategy communication requires a consistency that stories fail to provide) was also raised by another strategy communicator interviewed. When discussing the failure to effectively communicate strategy throughout an organisation, they noted:

> *"You need to get your leadership team involved in communicating strategy as well, but that can be tough because every member of the leadership team will have a slightly different idea of what that strategy is, and will look to communicate it slightly differently. So, for an organisation that has a lot of layers, that kind of cascades down to the time where you have new people joining the organisation they might get something that's completely different to what you intended" (Creator 3)*

As per above, this suggests that consistency is key to good strategic communication throughout an organisation, and variations (when stories are used) could result from both those who might be communicating, and those being communicated to.

A second motivation which limits the use of storytelling in strategy was noted by strategy communicators as the lack of structure they provide. This was considered a major issue when communicating to a key stakeholder group; large institutional investors. For example, one

strategy communicator who had previously noted that investors *"want spoon fed numbers and slides"* said about stories:

> *"sometimes you need that structure that stories don't give so much, that context and structure, those are probably the things where stories are less relevant" (Communicator 2)*

This suggests that stories are more likely to be used when communicating to some audiences, and less so to others. However, as others interviewed did not mention this, this finding remains tentative and would require further support.

The third potential reason emerged when participants discussed the negative impact when storytelling goes wrong. For example, a strategy communicator discussed the overuse of stories, saying:

> *"Having a face is kind of good but you also don't just want talking heads necessarily… I know I've had people comment from a range of organisations that someone who tells stories all the time is like, here we go again, another story, another war story from I remember when" (Communicator 3)*

To summarise, despite the value of stories being recognised, rarely were stories stated as intentionally used to communicate strategy. Unlike the first phase of this research (which found that some of the stories organisations tell provide insight into strategy, frame actions as being in accordance with strategy, or highlight strategic change), stories were perceived by interviewees as useful in strategy communication only to paint a picture of the future. Some of the motivations underlying why stories were not used to communicate strategy, as they have arisen from this research, included:

- An understanding that consistency is key in strategy communication. Given stories provide room for multiple interpretations / inconsistency, they may not provide as effective a communication tool
- The lack of structure provided by stories, with structure another noted necessity of good strategy communication
- The fear of telling too many stories and having an audience lose interest and / or stories lose their impact

Where stories were used in strategy communication were as tools to paint a picture of the future. The use of stories in this way is not a new idea, and it has grown in popularity in professional management circles. Therefore, it is not surprising to see stories evident in strategy communication in this form.

However, this research has yet to consider literature that suggests language is constitutive of strategy, and therefore that strategy creation and strategy communication are inseparable. Taking this literature into account, a third theme emerges which suggests how stories play a role in strategy communication.

Stories play a role in the strategy creation process

The third theme emerging from discussions with strategy creators, communicators and interpreters was that stories play a role in the strategy development process. This role, as noted by participants in this study, can come in the form of a template to write strategy, a method of promoting creativity when developing strategy, and as a shared understanding or identity that both dictates and is dictated by strategy.

While not explicitly fitting within the remit / scope of this research, this theme relates to the strategy communication literature through research which argues that discourse is constitutive of strategy, and therefore that strategy creation and communication are inseparable phenomena (Hardy et al, 2000; Kaplan, 2011; and Ezzamel and Willmott, 2011). Therefore, while not the direct focus of the research questions, and therefore somewhat lacking in terms of data, it is viewed of benefit to further explore this theme and its implications for the role of stories in strategy communication.

Stories are used as templates to write strategy

With ontological narrative research front of mind, the first role stories appeared to play in the strategy creation process was as templates with which to write strategy. This notion is supported in literature. Barry and Elmes' landmark 1997 article argued that strategy, as a form of fiction, perhaps "must rank as one of the most prominent, influential and costly stories told in organisations", while Shaw et al (1997) advocate for the writing of strategic plans like stories, to help the author think deeper about the logic and assumptions underlying strategy.

A derivative of this logic could be seen in the research data. One participant interviewed noted:

"In fact, in one of my boards it's been suggested (not by me) that at the start of each year we develop a one pager, effectively a narrative about what the year is going to do, and have it with board papers as a reference point" (Interpreter 1)

While perhaps not utilised to the same extent (or in the same form) as literature advocates, this point highlights that stories are being used in some strategy creation processes.

Stories promote creative strategic thought

The second role stories were seen as playing in the strategy communication process emerged when a strategy creator discussed a recent strategy development workshop they had attended. They noted:

"Often strategy days that I've been on will start with somebody else's story, so you see other organisations talking about their purpose and that can often ignite a conversation" (Creator 1)

While only directly discussed by one participant in this study, this also fits with the work of Shaw et al (1997), who suggests writing strategy as a story to promote creativity and challenge assumptions.

An organisation's story may influence its strategy

There is a large body of narrative research that suggests that people make sense of their environments through stories, or that stories give meaning to events, objects and organisations (see Brown and Rhodes, 2005). To quote Rhodes and Brown (2005, p.170-171) to explain this idea:

"There is a broad consensus among narrative scholars that sensemaking refers to processes of narrativization, that our versions of reality take narrative form, and that stories are means of interpreting and infusing events with meaning… storytelling, then, has also been considered as a way that people reflexively make sense of organisations".

When interviewing strategy interpreters, the idea that people construct stories about organisations was evident. Again, a strategy interpreter had noted:

"When I think about a company's story, I sort of conceptualise it as having two stories. There is what you have kind of touched on, the corporate history, where it's come from, and that kind of nominal story of how it's got here. In the office I'd use story as, if you're going to pitch it to somebody now, what's the investment thesis for the company. Is it in a good macro environment, with a good safe pair of hands that's going to grow, that's kind of the company story" (Interpreter 2)

To further draw on research, as well as some practical input, it appears clear that organisations have tried to influence the stories people construct to make sense of them, by replacing them with their own, carefully constructed stories. Further, an organisations strategy appears to form a major part of the stories they construct. Entrepreneurship researchers such as Lounsbury and Glynn (2000) and Martens et al (2007) have analysed how small businesses construct stories to frame their current capabilities and growth prospects to attain resources. In strategy, authors like Aaker and Aaker (2016) have advocated and illustrated the telling of 'signature' stories that encapsulate organisations, their identity and their strategy. And in numerous practitioner journals, management and marketing consultants advocate for the creation of a story that influences its reader's perception of an organisation (again, see Aaker and Aaker, 2016). That organisations look to influence their stories is not a suggestion limited to academia and practical journals. One only needs to see the number of organisations who present themselves via an *'Our Story'* section on their website to recognise the prevalence of this type of storytelling.

In addition to organisations actively looking to influence the narratives their stakeholders construct, this research appears to have found that strategy creators and communicators in organisations are very aware of the stories that external stakeholders construct about them. One participant said:

"We've been burnt in the past for flip flopping on a six-monthly announcement, between you'll get all the cash and we're going to go and spend it all elsewhere. I don't think you can do that, so you need to have an 18-month kind of runway for a lot of this stuff to help people get their heads around" (Communicator 3)

Whilst suggesting that strategy creators and communicators are influenced by the prevailing narratives constructed about organisations, we can only speculate on the exact influence these narratives have on strategy. This is due to interviewees not providing consistent responses when discussing this subject.

One potential influence these narratives may have is constraining the strategy making process, whereby organisations are constrained by the prevailing stories external stakeholders construct about them.

Another potential influence could be the importance of coherence in strategy and the importance of developing a coherent story. As stated by a strategy interpreted:

> *"We spend a lot of time at meetings talking about the key issues, opportunities or threats businesses face, and that… probably occupies a third of our time. Out of that we are trying to develop a coherent story" (Interpreter 1)*

A strategy communicator who explored this idea further commented on the differences between stories that emerge and those that are purposefully developed. Noting that stories are predominantly emergent rather than developed, but still existent in organisations, they said:

> *"Stories are organic and not deliberate, so they kind of grow out of the company mythology, and that sort of thing, rather than something that the communications team and the leadership team sit down and say this is our story. I think that some start-ups do, some start-up organisations deliberately create their story… it becomes part of the company mythology" (Creator 1)*

Therefore, it can be said that an organisation's story influences its strategy. On the one hand, organisations consciously look to influence their stories, with strategy playing a part in this influence. On the other, an organisation's strategy making process appears influenced by the stories its stakeholders construct about it.

To summarise, while not within the original scope of this research, the third underlying theme that emerged from data collected in phase two of research suggested that stories play a role in the strategy creation process. While somewhat data light, this theme can be fleshed out by drawing on existing academic literature on stories in strategy development, along with

research suggesting that discourse is constitutive of strategy. The resulting conclusion of this process suggests stories may play three different roles in strategy development:

1. Stories promote creative strategic thought
2. Stories are used as a template to write strategy
3. An organisation's story influences its strategy

While by no means exhaustive given the lack of data collected on this subject, this tentative conclusion provides substantial scope for future research, a factor discussed later in this research.

Summary: Phase 2

Building on the first phase of this research project, which explored the extent to which stories are evident in the annual reports of New Zealand organisations, phase two has explored why stories are used to communicate strategy. Interviewing 7 stakeholders from within the strategy creation, strategy communication and strategy interpretation spheres, and taking a thematic template analysis approach to developing insight, three themes emerged.

Firstly, the value from the use of stories is understood in organisations. While only intended to act as a segue into questions regarding strategy and stories, participants talked at length about the applications of storytelling in their organisations, along with the what motivates them to tell stories.

Secondly, when communicating strategy, storytelling was only intentionally used to paint a picture of the future, elaborating on the company's vision and strategic plan. This ran somewhat contrary to prior academic literature and the first phase of this research project, which argued that stories provided insight into strategy, framed actions as strategic and communicated strategic change. When asked about the motivations behind why stories were not used in this way, it became apparent that stories can fail to provide the consistency and structure required in some strategy communication, particularly to external stakeholders. Further, participants were concerned about issues associated with the overuse of stories.

Lastly, and not within the original sphere of this research, stories were found to play a role in strategy creation. While this theme is somewhat data-light, given that it was not the focus of

interviews, it emerged when stakeholders discussed the ways in which they saw stories as influencing and being used in the strategy creation process.

These three themes all provide colour and insight into the use of stories in strategy creation and communication in organisations. The implications of these insights, along with the future research directions they suggest, are now discussed.

Chapter 4: Discussion and Conclusions

The following section if this thesis discusses and draws conclusions from the research completed. Implications are then discussed for both theory and practice, before future research directions are noted and concluding comments are made.

Discussion

The aim of this research project was to explore the role of stories in strategy. With this in mind, this research contributes to the body of academic literature on stories in strategy in several ways.

Firstly, it provides an initial exploration of the extent to which stories are evident in strategy. Using annual reports as a source of data, stories are seen to communicate strategy by a minority of organisations. Phase two of this research then explored this finding in greater depth, confirming that stories are sometimes, but rarely, used to intentionally communicate a strategy to external stakeholders, but more often to paint a picture of the future. This finding provides a basis from which to build on in exploring how and why stories are used in strategy.

Findings from this research reinforce Simmons' (2007) thinking that stories are considered valuable tools with which to connect with an audience, help mentally transport the reader to a different reality, and provide a sense of presence in a message.

Also consistent with a selection of literature was the finding that stories play a role in the sensemaking process. While not entering the domain of narrative methodological research as discussed by the likes of Vaara et al (2016), this study has illustrated that stories play a role in the sensemaking process, with strategy interpreters describing the stories they construct around organisations. Findings from this research add weight to research by Boje (1991) and Kupers et al (2013) who see stories as aiding organisational sensemaking. Further, given the concept of sensemaking was discussed by strategy interpreters (who were external stakeholders), this research could be seen as extending the work of Boje and Kupers et al by showing how external stakeholders utilise stories to make sense of organisations and their strategies.

While the value of stories was recognised, and stories were considered to be used in the sensemaking process, this study also highlighted some limitations of a story. It became apparent when interviewing members of all stakeholder groups that clarity and coherence is key in strategy, a finding which runs contrary to the benefits of strategic ambiguity discussed by Eisenberg (1984) and Eisenberg and Witten (1987). In noting that stories fail to provide the clarity required to communicate strategy to stakeholders, interviewees have provided data that somewhat disagrees with Aaker and Aaker (2016) and Denning (2006) who advocate the telling of stories to communicate strategy externally. And while somewhat speculative, it should be noted that (rather than utilising stories as communication tools) annual reports did contain many diagrammatical presentations of strategy. Therefore, perhaps the "stratography" method of illustrating strategy through pictures with words, as advocated by Cummings and Angwin (2011), represents a more common way of communicating strategy.

When considering research that argues strategy is a discursive construction, and therefore that strategy communication and creation cannot be separated, insights from this research can also be drawn. Writing strategy as a story in a similar vein to that advocated by Marzec (2007) and discussed by Shaw et al (1997) was noted as infrequently occurring. Therefore, while not common, Marzec and Shaw et al's concept did appear to be used on occasion.

Further, as discussed towards the end of the findings section, while stories are evident to an extent in strategy communication, they appeared to transcend solely strategy communication, influencing the direction and content of strategy through the sensemaking process. Despite avoiding the finer details of the sensemaking process that Boje (2008) delves into, this research illustrates in a practical sense that external stakeholders can make sense of organisations by constructing stories about them. It also begins to dig deeper into how this affects strategy. And given this finding, there does not appear to be notable research describing how organisational sensemaking, via the construction of narratives and the subsequent effect of these narratives on strategy makers, influences strategy creation and communication.

Lastly, this research does appear to align with some key ideas put forward by Barry and Elmes (1997) in their seminal paper on narrative in strategy. In particular, aspects of this research appear to relate to Barry and Elmes statement, that:

"If storytelling is the preferred sensemaking currency of human relationships… then surely strategy must rank as one of the most prominent, influential and costly stories told in organisations (p.430)".

Firstly, stories appeared to be used to create strategy. This aligns with Barry and Elmes assertion that what constitutes a good story constitutes a good strategy. Strategy was also at times found to be presented as or conceived as a story, aligning with Barry and Elmes theme that strategy is a form of fiction. And further, stories were noted as being constructed by stakeholders to make sense of an organisation and its strategy. Therefore, with these findings from this research in mind, perhaps Barry and Elmes statement could be amended to:

Storytelling perhaps should be the preferred sensemaking currency of strategy… and strategy is one of the most prominent, influential and costly stories told in organisations.

Limitations

As has been noted previously in this thesis, characteristics of this research and its design may limit the applicability of its findings. Utilising only a New Zealand sample suggests that insights may not be as generalizable as if an international sample were used. The limited participation of strategy interpreters constrained the insights developed on the influence of stories in strategy and how stories are created to make sense of strategy (a limitation made more important to note given the multitude of different strategy interpreters). And the lack of data on stories in strategy creation provides scope only for tentative insights to be developed, rather than in-depth discussions on the role of stories in the strategy creation process.

Implications

For theory and methods

The first implication for theory arising from this research relates to the extent to which stories are used in the communication of strategy. As far as could be discerned, this was the first interpretive exploration of how and why stories were used to communicate strategy in a practical setting, where stories were defined as communication tools which could be identified, isolated and analysed. Therefore, finding that stories are used to a small extent to communicate strategy, predominantly to paint a picture of the future, is an important starting point for future research on this topic which can be expanded upon.

Secondly, the findings which emerged from this research are inconsistent with a large quantity of practical research on the role of stories in strategy. That is, while stories could be seen to provide insight into strategy, frame ideas in accordance with strategy, and discuss strategic change when drawing on previous academic literature, phase two of this research found they were only intentionally used by New Zealand creators and communicators of strategy to paint a picture of the future. This discrepancy suggests a different direction for research on the use of stories in strategy communication, where focus is placed on the use of stories as tools to visualise the future, rather than communicate other aspects of strategy. Such a change in course is supported by the third theme which emerged within phase two of this research, advocating for an exploration of the role of stories in strategy development.

While the exact coordinates of this direction don't fit within the initial remit of this research, it could be argued that they follow Barry and Elmes (1997) original thesis regarding strategy. To recall, Barry and Elmes (1997) saw strategy as a costly yet influential story, noting the resources dedicated to strategy making in many organisations. Therefore, perhaps future research should view strategy as a story and analyse it as such, rather than exploring how stories are used to communicate strategy.

A third implication concerns the development and operationalisation of a definition of stories that allows for their identification. Previous definitional work on stories has varied, with the definition taken highly dependent on the method of analysis. For example, narrative analysis takes all text as story, and therefore its definition of a story focuses not on its characteristics but its impacts. This differs from practical analysis, where for example Aaker and Aaker (2016) focused solely on a story's practical characteristics. This research project, and its operationalisation of a definition of stories using researchers from both the narrative and practical spheres of story research (including Bruner (1990), Barry and Elmes (1997) and Aaker and Aaker (2016)) develops a set of criteria allowing for the identification of stories while simultaneously enabling their influence to be recognised.

A methodological implication arising from this research concerns the process of conducting such business research. What emerged is that the nature of organisational disclosure appears to be changing, and research methods need to keep up with this change. As this study has illustrated, a substantial amount of research has established that annual reports were centrepieces in organisational communication, key documents in which organisations

communicate their strategy. However, the role of an annual report was seen to be gradually diminishing. Whereas it was once a centrepiece through which organisations communicated, annual reports now form only one small aspect of an organisation's communication. Continuous disclosure requirements now present numerous opportunities for organisations to communicate with their stakeholders, as do the increasing prevalence of investor days, webcasts and quarterly / bi-annual reports. Further, organisations now utilise their webpages to communicate regularly, as a transmission mechanism which is more easily accessible, more up to date and presents a plethora of methods through which to communicate (videos, images, recordings and so on). Therefore, the role of an annual report is somewhat diminished, and research methods need to take this into account when analysing organisations.

For practice

The exploration of strategy communication is inherently a practical topic. Actions taken by individuals and organisations are explored, along with the motivations underlying what lies beneath them, while research is conducted by analysing organisational documents and speaking to their members. Therefore, within the conduct of this research and its findings, various practical implications have emerged, four of which are discussed below.

Firstly, the nature of disclosure in organisations is changing. As has been described above, organisations are no longer utilising their annual reports as centrepieces in their communication arsenal, but rather as just one of many opportunities through which to inform and influence their stakeholders. Further, these opportunities exist in new forms of communication, including video and social media. These new communication media provide opportunities to reach audiences and communicate messages (particularly strategic messages) in new, exciting, and innovative ways.

The second implication arising from this project is the vital importance of clear, consistent strategy communication. Stakeholders interviewed here discussed how (while communicating strategy is important for organisations) clarity and consistency are necessities when it comes to communicating strategy. On the one hand, strategy must be communicated consistently throughout the organisation, while on the other consistency in communicating with all stakeholders is key.

This implication extends to the methods through which strategy is communicated. Stories appear to be ruled out when it comes to communicating many aspects of strategy (particularly the formal devices analysed here), given they provide scope for various interpretations. Rather, it was argued that strategy needs to be communicated through mechanisms that ensure consistence and clarity. Regardless of whether these come in the form of diagrams, strategy maps of simple prose, findings from this study suggest it is imperative that current strategy is communicated consistently, and with clarity, to all stakeholders within and outside an organisation. The only exception may be when a vision for the future is being communicated, especially if the pattern of actions to get there has not been locked in fully.

Despite stories not providing the requisite consistency to be used to communicate strategy, they are communication mechanisms that can be applied elsewhere. With reference to strategy, stories have the ability to paint a picture of the future, as one part. Elsewhere in organisations, the ability of stories to connect and interest their readers could be useful when discussing somewhat dull topics, or when an emotional connection to a message, person or organisation is required. Their ability to capture complexity could also possess numerous applications. The last application of stories emerged from their ability to provide extra colour and detail about previous actions, decisions and events, and suggests they have applications when looking to build on or understand past successes and failures.

Future research directions

Five future research directions emerge from this research. Firstly, the lack of research on strategy communication needs to be addressed. As was highlighted by the literature review conducted, while research on language, discourse and communication is growing, there remains scope for additional contributions to be made. These contributions could range from further exploring the motivations underlying the communication of strategy to external stakeholders, to analysing via case studies how strategy is communicated and consistently understood throughout organisations, to further exploring the empirical merit of the field of ontological strategy discourse. Further, findings from this research on the importance of clarity in strategy suggests the area of strategic ambiguity needs to be readdressed, and Eisenberg and Witten's (1984) assertion that strategic ambiguity is beneficial should be challenged.

Secondly, and has already been discussed, a potential avenue of future research concerns the exploration of the role of stories in the development of strategy. As phase two of this research suggested, while the role of stories in strategy communication appears to be limited, they also play a role in the development of strategy. This role warrants further consideration.

Staying with the notion that examining the role of stories in strategy should extend past strategy communication, future research could perhaps pivot back towards Barry and Elmes (1997) theorisation of strategy as a story. Therefore, rather than exploring how communication mechanisms such as stories are used to communicate strategy, strategy could again be conceptualised as fiction as done by Barry and Elmes. Touched on briefly in phase two of this research, this involves exploring in greater depth the sensemaking qualities of strategy, and exploring how organisational stories influence the strategy making process.

A fourth potential research direction emerges when considering the comments made by stakeholders from the strategy interpretation sphere. They noted that they conceptualised organisations as having two stories, one concerning its history, while the other details the investment proposition or "thesis", told when pitching the company to others. While only briefly discussed in this research, the idea that organisations may develop an investment thesis via a story is one worth exploring further.

Lastly, the potential for in-depth case research into the use of stories within organisations is evident. Rather than sampling a number of organisations and limiting the data to annual reports, an opportunity exists to analyse a single organisation, but look at a larger sample of materials (ranging from shareholder presentations to internal memos on strategy). While less generalizable than this thesis, such research would likely provide richer insight into the role of stories across different processes in organisations. These insights may stem from exploring several stakeholders' perspectives on strategy communication or an organisation's use of stories, analysing the interplay of different narratives, or exploring whether distinctions exist in organisational communication styles between audiences.

Closing remarks

If we return to the beginning of this thesis, and the phrase *once upon a time*, it was argued that these four words have the power to transport people from one reality to another, and communicate a message in a powerful way. Despite the innate power of storytelling to

connect with audiences, communicate complexity and be remembered, this thesis has found its potential remains somewhat untapped in the communication of strategy in New Zealand organisations (and perhaps organisations worldwide), hindered by issues and lingering questions held by strategy creators and communicators. Perhaps *once upon a time* stories can realise their full potential in strategy, however that is a question for another day.

Word count: 29,994

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Appendices

Appendix 1: Participant information sheet

Appendix 2: Participant research agreement

The use of stories in strategy creation and communication

INFORMATION SHEET: PARTICIPATING INDIVIDUALS

Thank you for your interest in this project. Please read this information before deciding whether or not to take part. If you decide to participate, thank you. If you decide not to take part, thank you for considering my request.

Who am I?

My name is James Taylor and I am a Masters student in the School of Management at Victoria University of Wellington. This research project is work towards my Masters of Commerce.

What is the aim of the project?

This research project explores the creation and communication of strategy in New Zealand organisations. It has two phases: Analysing the extent to which stories are evident in the strategies of New Zealand organisations; and analysing why stories are used to communicate strategy. This research has been approved by the Victoria University of Wellington Human Ethics Committee (Approval number: 0000023548)

How can you help?

I am asking you to participate in this research project. If you agree I will conduct a 30-60 minute interview with you, at Victoria University of Wellington or at a location of your convenience. You can stop the interview at any time. The interview will be recorded, and transcribed by the researcher.

Your interview will contribute to the second phase of my research project. Questions will be asked concerning your involvement, interpretation and understanding of the use of stories in strategy communication.

You can withdraw from the study by contacting me at any point before Monday 30 January 2017. If you withdraw, the information you provided will be destroyed.

What will happen to the information you give?

Your participation in this research project will be confidential. This means that the researcher and supervisors will be aware of the identity of the individuals interviewed, but the research data will be aggregated and your identity will not be disclosed in any reports, presentations, or public documentation.

Any direct quotations from your transcript will only refer to a broad descriptor of your role or stakeholder relationship with any organisations discussed. The names of any organisations discussed will also remain confidential.

Only my supervisors and I will read the notes or transcript of the interview. The interview transcripts, summaries and any recordings will be kept securely and destroyed 2 years after the research ends.

You will be offered a summary of findings once data collection has been completed, which is expected to be approximately 3-5 pages long. In addition to this summary, if any of your direct quotes are used in the final thesis, you will be contacted and a copy of these quotes will be sent to you to review.

What will the project produce?

The information from my research will be used in a Masters Thesis. It may also potentially be used in academic publications or in presentations at academic conferences.

If you accept this invitation, what are your rights as a participant?

You do not have to accept this invitation if you don't want to. If you do decide to participate, you have the right to:

• withdraw from the study before Monday 30 January 2017
• ask any questions about the study at any time;
• receive a 3 - 5 page summary of the findings of this research;
• be able to read any reports of this research by emailing the researcher to request a copy.

If you have any questions or problems, who can you contact?
If you have any questions, either now or in the future, please feel free to contact either:

Student:	Supervisor:
James Taylor	Urs Daellenbach
027 348 8008	Reader in Management
taylorjame5@myvuw.ac.nz	School of Management
	04 463 5732
	urs.daellenbach@vuw.ac.nz

Human Ethics Committee information: If you have any concerns about the ethical conduct of the research you may contact the Victoria University HEC Convener: Associate Professor Susan Corbett. Email susan.corbett@vuw.ac.nz or telephone +64-4-463 5480.

The use of narrative in strategy creation and communication

RESEARCH AGREEMENT: PARTICIPATING INDIVIDUALS

I have read the Participant Information Sheet and understand the nature of the research. I have had the opportunity to ask any questions and have them answered to my satisfaction. I understand that I can ask further questions at any time.

I understand that:

• Participation in this study is completely voluntary. **I understand that the results will be used for a Masters thesis and the research data may be used in academic publications, presented at conferences, and in public reports.**

• I may choose to withdraw my participation from this study at any time before Monday 30 January 2017, and any information that I have provided will be returned to me or destroyed.

• All interviews will be electronically recorded.

• The information provided in this interview will be destroyed *2* years after the research is finished.

• Any information provided in interviews will be kept confidential to the researcher and his supervisors.

• My identity will be kept completely confidential, with only the researcher and supervisors knowing the identity of the participants.

Any other conditions for agreement:

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I agree to participate in this research:

Name:

……..

Organisation:

…….

Signature:

…….

Date:

…….

Contact details

……..