



Business Communication



# 5 Types of Stories Leaders Need to Tell

Focus on trust, teaching, action, vision, and values.

**by Nick Westergaard**

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**The historian Doris Kearns Goodwin was once** asked what questions she would put to Abraham Lincoln if given the chance. “I feel like a bad historian,” she answered, “but I’d probably ask him to tell me a story.” As she herself has documented, the 16<sup>th</sup> U.S. president was not just a great political leader but also a masterful raconteur, who used stories to entertain, educate, and inspire.

Storytelling is an important leadership skill. As psychologists Gordon H. Bower and Michal C. Clark of Stanford first observed in 1969, we’re 7

times more likely to remember a fact when it's wrapped in story. Telling stories can also help with all five of the effective leadership practices that Santa Clara University professors James M. Kouzes and Barry Z. Posner lay out in their book *The Leadership Challenge*: 1) model the way, 2) inspire a shared vision, 3) challenge the process, 4) enable others to act, and 5) encourage the heart. But it's important to learn which types of stories lead to which outcomes. Here's a primer.

### Trust Story

As noted in The Moth book, *How to Tell a Story*, "When you choose to share your story, you share a piece of yourself." In so doing, you start to build trust and connect in new ways with your listeners. Trust stories humanize you as a leader and allow you to *encourage the heart* of your team.

Thasunda Brown Duckett, president and CEO of TIAA, connects her memories of being the only Black girl on the soccer team not invited to a teammate's birthday party to often being the only woman and person of color in a meeting. When you demonstrate vulnerability by sharing a personal story, others will be inspired to reciprocate, creating a virtuous circle of trust.

### Teaching Story

Brené Brown defines a leader as "anyone who sees potential in people and has the courage to develop that potential." Great leaders need to be great teachers. Stories allow you to simplify complex topics by providing easy-to-follow models for behavior and skills.

As chairman, president, and CEO of Lowe's, Marvin Ellison uses stories from his life to teach his team. Early in his career, when he worked at Target, a senior leader from corporate visited his store and asked employees for feedback. When no one spoke up, Ellison volunteered

that a new system wasn't working as intended. In the end, the system was fixed and Ellison was recognized for speaking up. Now, he tells this story when visiting Lowe's locations as a way of *enabling others to act* with candor and promoting a feedback-driven culture.

While a trust story is built around you, a teaching story and the other three types can also be an indirect narrative — using someone else's story, a fictional one, or a parable to deliver your message. Just make sure your audience can identify and empathize with the protagonist so they want the same thing for themselves.

### Action Story

A big part of a leader's job is to inspire action — and one of the best ways to do that is through an story that leaves the audience thinking, “If we do this (insert your desired action here), then we will get that (the desired result).”

Entrepreneurs can use action stories to launch new business ideas. Canva founder and CEO Melanie Perkins dreamed of making graphic design accessible. To do this, she needed to create a new story for investors. “People are scared of designing,” says [Perkins](#). “They’re conditioned their whole lives to think that they’re not creative.” Early success stories included people completing simple design challenges and creating resumes that helped them land jobs.

Action stories can also be used to inspire organizational change. Former CEO Indra Nooyi used story to *challenge the process* at PepsiCo, shifting a product portfolio that was primarily sugar-based to something more health conscious. She wanted to maintain the sense of fun but ensure that it was also good for you. “Words that speak to people’s hearts are more important than speaking to their minds,” [Nooyi shares](#). She

developed an indirect narrative to get buy-in from her board, using story to illustrate emerging trends of evolving consumer tastes.

## Values Story

If you want your team to buy into your organizational values, tell a story that shows someone living into them as a means of *modeling the way* for them to do so as well.

For example, to model the family-first mindset at Zoom, founder and CEO Eric Yuan often tells a story about being late to the company Christmas party because he was traveling with his son's basketball team. Chobani's CEO and founder Hamdi Ulukaya frequently shares tales of growing up amid corruption in Turkey and explains how it made him want to become a more ethical business leader. These stories communicate personal and organizational values and encourage values-driven behavior in others.

## Vision Story

History is full of examples of leaders using vision stories. Following the evacuation at Dunkirk, Winston Churchill vividly described a Britain that would “fight on the seas and oceans” and “never surrender.” In his iconic “I Have a Dream” speech, Martin Luther King, Jr. used story to paint a picture of a world in which “man would not be judged by the color of his skin but the content of his character.”

In business, GM CEO Mary Barra uses story to illustrate a future with “zero crashes, zero emissions, and zero congestion.” In taking the reins as the first non-founder CEO at Microsoft, Satya Nadella needed to shift the culture internally from being “know-it-alls” to “learn-it-alls.” To promote the “learn-it-all” mindset, Nadella shared a story about his dad. “He had this diary he would write in every day — people met, ideas generated to act on. It's a continuous system.”

Stories make the unseen future feel vivid and real, *inspiring a shared vision* that listeners will commit to and make progress toward.

As Kouzes and Posner's title implies, leadership is a challenge. But story can help with all five practices of effective leadership. Vision stories inspire a shared one. Values stories model the way. Action stories can spark change and, in turn, challenge the process. Teaching stories transmit knowledge and skills to others, enabling them to act. And when you share your own story you build trust and encourage the heart.

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