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The Stories Leaders Tell Shape the Culture They Create

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How authentic storytelling builds trust, develops people, and turns leadership values into everyday behavior

Every leader tells stories. Some are carefully prepared for a meeting or presentation. Others emerge in the moment, when a leader explains a decision, recognizes an employee, or responds to a mistake. But the stories that may reveal the most about an organization are often the ones employees tell when the leader is not in the room.

Ask employees what their organization values, and they may repeat the mission statement. Ask them to describe what happened when someone made a serious mistake, challenged a decision, or experienced a family emergency, and they may tell you what the organization actually values.

That is the leadership significance of storytelling. The objective is not simply to become a more compelling speaker. It is to ensure that the stories people experience, remember, and repeat reflect the culture a leader intends to build.

Why stories matter

Stories give abstract ideas a human setting. Trust, accountability, respect, and service can sound like familiar words until someone describes a particular choice that brought one of those values to life. A story identifies the situation, the people involved, the decision made, and the consequences that followed.

Research on narrative transportation indicates that people who become absorbed in a story can be more receptive to story-consistent beliefs (Green & Brock, 2000). That finding helps explain the persuasive potential of stories, but it is also a warning. A memorable account is not automatically a complete or accurate account. Leaders must not confuse a compelling anecdote with sufficient evidence.

Stephen Denning (2005) described how different kinds of stories can serve different leadership purposes, including communicating identity and sparking change. Simon Sinek (2009) popularized beginning with why, connecting actions to purpose. Kemp and colleagues (2023) likewise argue that storytelling can serve purposes throughout an organization, not just in marketing. These approaches are useful, but a leader must go beyond the structure of a well-told story to consider whether it is true, fair, and consistent with the organization's behavior.

A district that learned to teach itself

My Navy service laid the foundation for much of what I believe about leadership. My business career provided opportunities to test those beliefs in different settings. One of the clearest lessons came when I became responsible for the worst-performing district in my region at a financial services company.

Improving production mattered. Yet greater pressure for immediate results, by itself, would not create the capability needed to sustain better performance. We needed to recruit, train, and develop advisors who could succeed and help others succeed.

We invested in their development. As advisors gained knowledge and confidence, they began teaching the training themselves. The district eventually rose to second in the region. The improvement in performance was important, but it was not the entire lesson.

The more meaningful story is what happened to the people. Advisors who had once needed instruction became capable of instructing others. Developing people did more than improve today's results; it expanded the district's ability to develop its future leaders.

The people who grew, shared what they learned, and helped others grow were the essential contributors. It illustrates a belief I have long held: "I equals We in success."

Three kinds of stories shape culture

There are at least three kinds of stories operating in every organization. The first are the stories leaders deliberately tell about the organization's purpose, aspirations, accomplishments, and lessons. These stories can clarify what matters and why.

The second are the stories leaders create through their decisions. How do they respond when the numbers are disappointing? What happens when someone admits a mistake? Whom do they reward, promote, or protect? These decisions give employees experiences they can later describe.

The third are the stories employees choose to retell. They may concern a leader who made time to help, a colleague who was treated fairly, or a decision that contradicted an announced value. These accounts travel through offices, teams, and generations of employees, often without the leader's knowledge.

Edgar Schein and Peter Schein (2017) distinguish leaders' primary culture-shaping behaviors from secondary reinforcing mechanisms, including stories about important events and people. Their distinction is crucial. Stories reinforce culture most credibly when they match what leaders consistently do. When words and actions disagree, the disagreement can become the story.

Authenticity is demonstrated, not announced

A polished message cannot substitute for trustworthy conduct. In experimental research, Weischer, Weibler, and Petersen (2013) found that a leader's enacted behavior predicted perceived authenticity, while life storytelling provided only partial support. Their findings reinforce a practical lesson: followers look for evidence that the person telling the story lives by its message.

This is why leaders should be willing to tell stories that include uncertainty, setbacks, and their own errors in judgment. A story that claims every decision was correct may protect an image, but it offers little opportunity for others to learn. Reflection is particularly important. What did we misunderstand? What would we do differently? What should change because of what happened?

Authenticity also requires restraint. Another person's hardship is not a prop for a leadership presentation. Leaders should protect confidentiality, seek permission when appropriate, and avoid turning someone else's experience into an account that primarily celebrates the leader.

The hero does not have to be the leader

Executive storytelling often places the person at the top of the organization at the center of the plot. Sometimes that is appropriate. More often, the strongest leadership story shows how the leader created conditions in which others could excel.

Consider the difference between saying, "I turned around a struggling district," and saying, "We developed advisors who became teachers, and together we improved the district." Both might describe the same outcome, but they communicate different expectations about who creates success.

One story elevates the leader. The other recognizes the people and the system that made the improvement possible. It also offers a more useful model for anyone listening: invest in others, share knowledge, and create the next generation of leaders.

There is a caution here as well. Recognizing others must be genuine. Employees know the difference between authentic credit and praise offered merely to make a speech sound humble.

Listening is part of strategic storytelling

Leaders should spend as much time listening for stories as preparing to tell them. Ask people to describe a moment when the organization lived its values and another moment when it fell short. Listen for patterns, not just for flattering examples. Pay attention to stories that new employees hear from experienced colleagues.

The absence of a story can be revealing. If an organization claims that developing people is a priority, can employees name someone who was given a meaningful opportunity to grow? If leadership promises openness, can people describe a difficult question that was welcomed

rather than punished?

This kind of listening requires emotional intelligence. The leader must be interested in another person's interpretation, not merely in validating an established narrative. It also requires adaptability: when the stories reveal a gap between intention and experience, the task is to change behavior, not improve the talking points.

A practical approach for leaders

Before telling a consequential leadership story, I suggest testing it against six questions:

1. **Purpose:** What leadership value or decision does this story help people understand?
2. **Truth:** Are the facts, sequence, limitations, and results accurate, and what evidence supports the conclusion?
3. **People:** Whose contributions deserve recognition, and whose perspective may be missing?
4. **Judgment:** What did we learn, including what I might have done differently?
5. **Relevance:** Why does this matter to the people hearing it, in their circumstances today?
6. **Action:** What should we do differently, and how will we know whether the lesson has been applied?

These questions reflect the combination of cognitive intelligence (IQ), emotional intelligence (EQ), and adaptability (AQ) that I have found essential to leadership. IQ helps us establish facts and sound reasoning. EQ helps us understand people and credit their contributions. AQ helps us turn experience into learning and better decisions in changing circumstances.

Good storytelling does not need to be elaborate. It needs a credible event, a meaningful choice, an honest result, and a lesson that can guide future behavior. Sometimes a short example offered in a team meeting will have more influence than a carefully produced keynote.

The stories that outlast us

The ultimate test of leadership storytelling is not whether people remember the speech. It is whether they remember the values and see those values demonstrated in the decisions around them. Over time, a leader's choices give others the material from which organizational stories are made.

We can choose the experiences we describe. We cannot fully control what others remember or repeat. That is precisely why culture must be built through everyday conduct, not just through carefully crafted communication.

Leaders may choose the stories they tell, but their actions determine the stories others will tell about them. Ultimately, those stories become part of their leadership legacy.

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