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Storytelling Practice in the Corporate Sector

A Case Study on Netflix Communication

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Purpose and motives of the study

The use of stories goes far beyond movies and literature; in fact, storytelling is a communicative tool innate to humans and which has helped us build and coordinate social organizations for centuries. However, the study of its application in a business context is fairly recent. While the implementation of stories has gradually become more common in external corporate communications, such as Marketing campaigns, companies have only very recently discovered its value for internal communication. As a result, the use of storytelling strategies should not be limited to Communication Departments but extended to various disciplines and areas, such as Human Resources, Management or R&D. In fact, storytelling in business research is pivotal to understand the nature of existing companies and the ones to come. Now more than ever, companies create their own set of values, their founding stories and corporate culture. However, these stories and culture need to be made consistent through the use of one cohesive storyline and the promotion of corporate myths. In this new corporate context of human-led innovation and knowledge creation, storytelling has become a central communication tool to build knowledge and learning throughout the organization, so as to strengthen their values, stories and culture. Studying storytelling and implementing it can become an asset for any business and, in the long run, enhance employee performance and working relationships by means of improving dialogue and knowledge-building. Nevertheless, even though storytelling is a natural human interaction, as well as a fundamental pillar in social organization, more research on its benefits as a strategic tool for corporate communication and business organizations should be carried out.

For this reason, the present study will focus on storytelling and its use in corporate communication strategies, based on the available literature on this topic and its application to a case study. The main goal is to present the uses of this communicative tool in both external and internal communication, so as to evaluate the possible benefits in its strategic implementation inside and outside the company. The author hypothesizes that a strategic use of storytelling is equally beneficial for an effective internal and external communication, even if it is most commonly implemented in the latter.

The topic of research was chosen by the author after reading Patty McCord's *Powerful* (2017) where she highlighted the importance of communication and corporate stories for a strong culture and high employee engagement. After choosing the topic, the academic advisor also guided the author into defining the research question and choosing the case study.

For this study, a case study method will be pursued, to evaluate the similarities and differences in the use of storytelling inside a company. Additionally, a glossary of key terms will be provided at the end of the thesis. The purpose of this Bachelor thesis is to shed a light on the potential benefits of storytelling as a strategic tool in a business context, arguing for the need to further expand this practice in the corporate sector. In addition, the author aims to shed a light on the importance of storytelling analysis for, as it is mentioned by Fog, Budtz, Munch & Blanchette (2010), "there is still a conspicuous lack of critical insight as to how and why storytelling can make a difference" (p. 17).

Literature Review & Theoretical Framework

Storytelling is a communicative practice that has been key to our evolution as societies, due to its usefulness as a persuasive and informative tool. Communication researchers have delved into the topic of stories and storytelling in various contexts, more recently in the corporate sector. The present study will aim to answer the question of how storytelling is used in the corporate sector and what the potential benefits of its implementation are. After defining the concept of storytelling, differentiating it from other related terms and explaining its uses, an introduction to the importance of the study of storytelling and how it has evolved through human history will be provided. This will be followed by the theoretical framework, which will be divided into two sections: a general overview of storytelling and storytelling in the corporate sector.

The first section will start with the basic elements of stories (message, conflict, plot and characters), based on Fog et al. (2010). It will also include common plot structures, these being the beginning, middle, end (BME) structure, as well as other more complex models such as Freytag's pyramid and Campbell's monomyth. Furthermore, the classification of the types of stories according to Baskin (antenarrative, narrative and myth) - as chosen for this thesis - will be presented. Baskin's division will be broadened with added insights by Boje's on myth, legend and folktale. Finalizing the first section, we will see storytelling as a sensemaking tool in the collective memory and the importance of Boje's performance approach analysis (opposed to a story-as-text approach).

The second section will focus on storytelling in the corporate sector, starting with a brief history of storytelling in business research, followed by key concepts such as Learning Organization, Storytelling Organization, organizational stories and the Storytelling Method. After this overview, the author will narrow down the scope to the implementation of storytelling in external and internal communication.

Functions and elements of stories

As societies became more and more complex, the storytelling practice has evolved with them (Smith, Schlaepfer, Major, & al., 2017). It could be argued that storytelling has become crucial to our survival as a species because it helps us cooperate among ourselves, as well as understand our surroundings. For instance, during the cognitive revolution, it was through gossip that *homo sapiens* were able to build bigger social structures than those of their ancestors; however, to reach modern human cooperative structures, mankind had to create common myths¹ to construct the social norms and hierarchies that bring order to our societies (Harari, 2015).

Stories function as means to create and understand reality. For example, through shared stories we create abstract notions of law, justice or money which shape reality. At the same time, stories allow us to explain external phenomena –for instance, through ancient mythology. Baskin (2005) argues that stories take out the “noise” that surrounds us and let us “focus on the information”, thus allowing us to better comprehend our surroundings by “reducing the complexity” of external events (p. 32). At the same time, storytelling allows us to broadcast “social and cooperative norms to coordinate group behavior” (Smith, Schlaepfer, Major, & al., 2017, p. 2), which allows us to cooperate and create organizational structures.

In this sense, storytelling has three main functions: interpretation or sensemaking, creating and sharing of reality. These functions allowed our species to thrive and grow, thus becoming crucial for cooperation and education throughout the evolution of social organizations. Even though we practice storytelling in our daily lives, there is yet much to study and understand about this topic. In academia, the debates surrounding this area are still present. Ongoing debates include (1) what constitutes a story, versus a narrative or myth, (2) what aspects should be analyzed when observing storytelling, and even (3) the concept of truth in storytelling.

¹ What constitutes as a myth will be seen later on, but it could be summarized as common knowledge shared in the form of a story throughout the collective memory of a group.

Regarding storytelling in general, Rust (1999), as quoted by McNett (2016, p. 185) defines stories as “acts of meaning ... [that provide] opportunities for discovery, learning and sense-making”. As mentioned, stories allow us to understand the context of the world we live in. Through retelling of stories, we can pass on information and values, change behavior and explain phenomena. Summarizing, we could define stories as acts of meaning (Rust, 1999) with three main purposes: (1) sensemaking or understanding, (2) creating and discovering and (3) sharing (e.g., teaching and learning).

Before moving into the different types, the author will examine the common elements to all stories. The four basic elements common to all stories are the message, the conflict, a plot and the characters as explained by Fog et al. (2010) in *Storytelling: Branding in Practice*.

The message in any given story would be the strategic purpose behind it; that is, the key information or idea the storyteller wants to share. The authors in this book add that many central messages lie in “ideological or moral statements” (Fog, Budtz, Munch, & Blanchette, 2010, p. 34). For example, in fairytales the message of the story is a moral lesson, with the strategic purpose to teach and cultivate shared moral norms (that is, what is right and what is wrong).

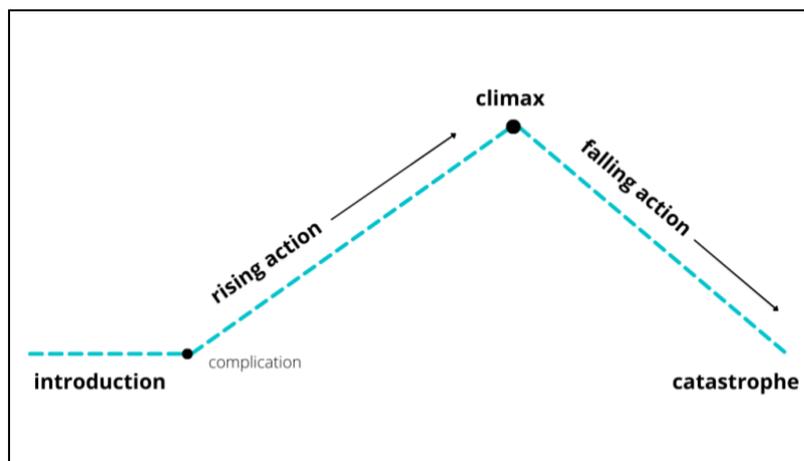
The second element, conflict, is key to a successful story. Without a conflict, the story lacks engagement and excitement. Most importantly, as the authors explain, “conflict forces us to act” (ibid., p. 35). Thus, conflict in a story is key to letting the listeners look for solutions. For instance, when the main character of a story faces a dilemma, the audience is prompt to reflect upon the issue and find a solution.

The next element would be the characters of the story. Well-built characters can represent either virtuous traits or, on the contrary, they can personify evil (e.g., the Wicked Witch of the West in the *Wizard of Oz*). These characters also allow the listeners to identify with the emotions, traits or struggles they may have in common. In an adaptation of Vladimir Propp’s typology (1968), Fog et. al. (2010) provide examples of characters based on the fairytale model of storyline, such as the benefactor, the beneficiary, the supporter, hero, and the adversary.

Finally, the fourth element would be the plot, or the structure. The authors explain the plot as a progression of events that can be segmented into three parts: a beginning, middle, and end (BME). This is substantiated by other authors who agree that the BME model is the most common structure for stories (see Boje, 1991; Reissner & Pagan, 2013).

Apart from the BME structure, we find other more detailed structures such as Freytag's *pyramid structure* and Campbell's monomyth or *hero's journey*, both very common. Freytag's pyramid is comprised of five sequential phases: the exposition, rising action, followed by the climax (the peak point), falling action and back to equilibrium (stable situation), as seen in Figure 1.

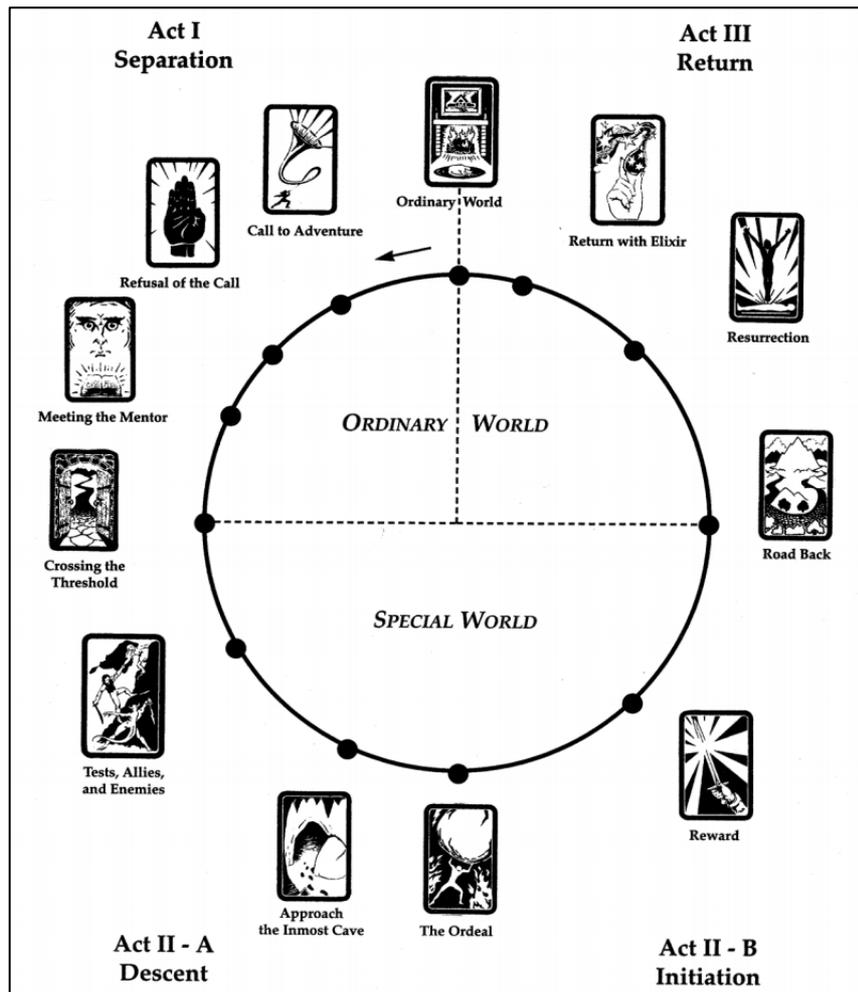
Figure 1: Freytag's plot diagram



Note: Adapted from *Technique of the Drama* (Freytag, 1863)

Another structure is Campbell's model, which presents a circular storyline with several phases represented in Figure 2. This model has been the basis of many stories, both in movies and literature, and represents the journey of transformation that the main character or heroes go through during the plot (Vogler, 1999). Some common stages in this journey are the crossing from the ordinary world to the unknown, the heroine meeting a mentor or helper that aids her through the tests she has to face before achieving a transformation or rebirth, and finally the return to the known world.

Figure 2: Hero's journey diagram



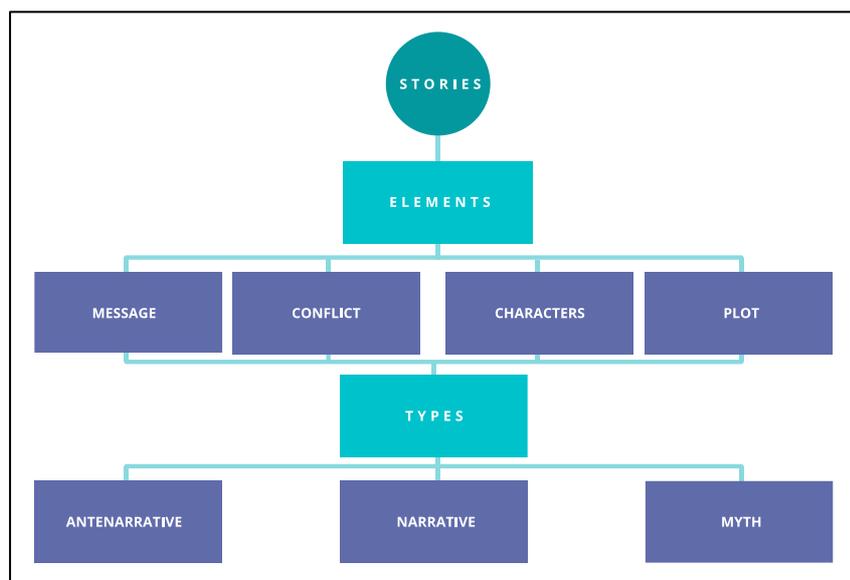
Note: From Vogler's (1999) *Foreword In Myth and the Movies: Discovering the Mythic Structure of 50 Unforgettable Films* (p. 2)

Regardless of the model applied, a proper and coherent structure is essential because only through a “logical chain of events” can the story become a cohesive narrative (Thier, 2017). Nevertheless, it is important to keep in mind that storylines are not always told entirely or in order, but sometimes through *terse storytelling*. When a story is terse, the storyteller leaves out bits and pieces of the storyline because s/he expects the listener to fill the gaps with shared knowledge (Boje, 1991).

Types of stories & the sensemaking process

These elements (message, conflict, characters and plot) are common to all stories (see Figure 3), yet they do not explain the difference between types of stories, such as the three discussed by Baskin: the *antenarrative*, *narrative* and the *myth*. There are other types of divisions that could be applied depending on the genre of the storylines, such as the ones mentioned by Propp and proposed by V.F. Miller for folk tales “with fantastic content, tales of everyday life, and animal tales” (Propp, 1968, p. 5), or Wundt’s seven divisions (some being mythological tale-fables, pure fairy tales, and fables). However, for the purpose of this study, Baskin’s categorization has been adopted, as it is the most applicable to the context of corporate storytelling.

Figure 3: Relationship between the elements and types of stories



Although opinions on what constitutes a narrative versus a story vary in academia (cf. Boje, 1991; Trice & Beyer, 1993 and Martin, 2002), for this Bachelor thesis we will use the definition of narrative as explained by Baskin (2005), who applied Boje’s ideas, defining the differences between antenarrative, narrative and myth as levels of the integration of a story into the collective memory.

In this context, an antenarrative would be “an explanation for some event” (Baskin, 2005, p. 36). This antenarrative is created by each and every one of us to give sense to

“what might have happened” (ibid., p. 35). These individual stories allow us to predict what will happen or what could have happened based on personal experiences. If the individual finds these predictions to be accurate, the antenarrative passes to the second level. For example, if it never rains during summer in California, you would not expect heavy rainfall. If rain does fall, someone could try to explain the event by stating that there was rainfall because it had been a cloudy day. This would be an antenarrative because it is an explanation of some event that occurred and which we could not make sense of at the moment.

The second level, the narrative, refers to “what did happen” as explained by Baskin (2005, p. 37). In this case, the narratives stand for a fixed explanation of the events, one that starts becoming shared throughout the community. Narratives are challenged every time a similar event happens, and they succeed if they manage to predict the outcome. Following the previous example, if someone told you that yesterday’s cloudy day led to heavy rainfall, the next time there is a cloudy day you will expect rain. If your prediction is correct, the narrative starts and every time a similar event occurs, you will test that narrative over and over.

For this level, we could add that “narratives shared in an organization on a daily basis usually do not constitute complete stories, instead employees tend to tell smaller segments of larger stories” (Thier, 2017, p. 8), such as in terse storytelling. Although Thier relates this to corporate organization, the same can be applied to any other type of social organization (that is, any other community), where the word “employee” can be replaced by other examples (e.g., students in a school community; neighbors of the same building). Terse storytelling means that inside a community with shared values and knowledge, a narrative is another type of story that is shared among peers, where there is no obligation to tell the complete storyline because the members of the community already have the background information needed to complete the gaps in the narrative. In our example, a narrative could take this form: “Bring your umbrella, because its cloudy outside”. Only by understanding the prior knowledge relation cloudy day, rain and umbrella will that terse narrative make sense.

The final level of integration is when a story becomes mythicized. According to Baskin (2005), myths constitute “the way reality works” (p. 35). Although one of the dictionary

entries for myth defines it as “an unfounded or false notion” (Merriam-Webster, n.d.), for this study a myth will be described not as a false assumption, but as a narrative that has become rooted in the common knowledge of the community, making it difficult to challenge if ever found incorrect or outdated. Summarizing, when a narrative is reinforced through the correct prediction of results and when it satisfies an emotional need of the group, a narrative becomes a myth. Baskin (ibid.) goes even further and argues myths explain not only events, but the “nature of reality” and that this knowledge becomes the “deepest, most powerful form of knowledge”. A myth includes information that becomes integrated in the collective memory of the group, making it difficult to contradict and, if the environment changes radically, myths could prevent a community from adapting to change. This collective memory is sensemaking from the past that is passed on through generations and that has “not ceased to be current” and “continues to be expressed in the present” (Boje, 2008, p. 2). So, a myth has a generational dimension that the prior two levels do not. Myths are shared in the collective memory and passed from generation to generation as pieces of knowledge. With the cloudy day example, a myth would be when parents in California tell their toddlers that cloudy days bring rain, so different generations started carrying umbrellas just at the sight of a cloud, instead of looking for the weather report.

Aside from myths, Boje recognizes other types of “retrospective sensemaking narrative forms” (Boje, 2008, p. 5): *legend* and *folklore*. For Boje, there are several types of emergent stories², which lead to myth, legend or folklore. Some common emergent story patterns are, for example, gossip, rumor and rebellion. Boje agrees with Baskin on the necessity of an emotional and moral dimension to narratives for them to become myths. He quotes Malinowski (1954) saying that often these emergent stories lack “the cultural force to enter the retrospective narrative pattern of moral values, sociological order and magical belief to become myth” (ibid., p. 3).

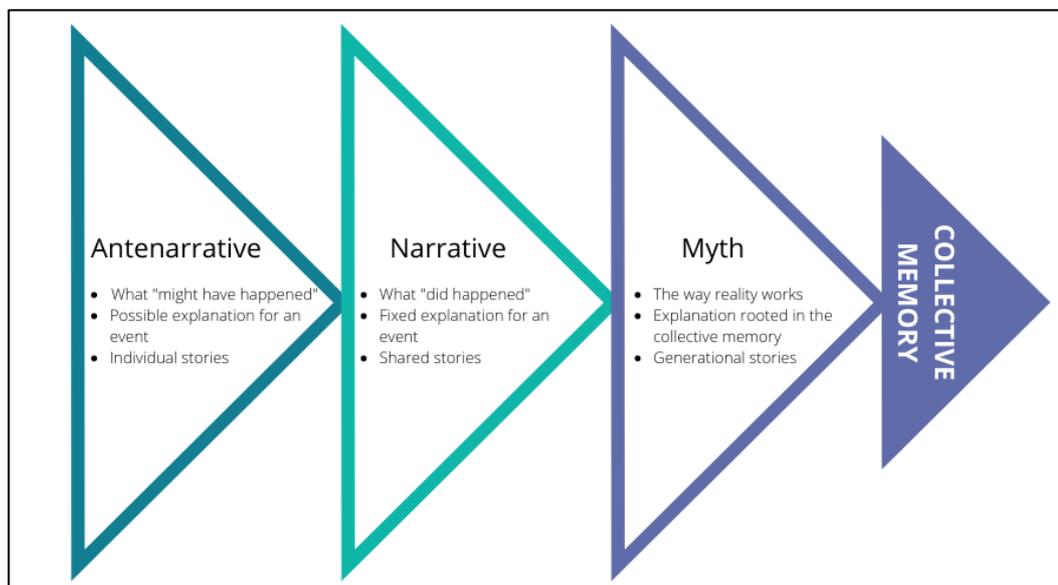
Legends, myth and folk stories differ from one another, but they all arise from narratives. Legends are focused on historical events that bring value or greatness to an organization for an extended period of time (i.e. founding story). A myth is more similar

² Boje’s emergent stories (Boje, 2008), applied to Baskin’s framework, are the ones that have passed from the antenarrative to the narrative level.

to epic stories, where the focus is on a character that becomes an idol, creating heroes in our communities. Lastly, a folktale highlights the entertainment value and the importance of the performance of the storyteller, rather than the accuracy of the content in the storyline (Boje, 2008). Although the research mainly focuses on the use of myth (see Figure 4), folklore and legends can emerge from the process of antenarrative and narrative creation as well.

In the aforementioned framework of antenarrative, narrative and myth, we can infer that any story is a piece of knowledge and understanding that undergoes the process of becoming antenarrative, then emerges as narrative and finally, once the story settles into the collective memory and satisfies an emotional need, the story becomes myth, legend or folklore. This is how stories emerge and become part of the collective memory of a social organization (see Figure 4). After explaining the story's elements and the process from antenarrative to myth, folklore or legend, research on the importance of storytelling for sensemaking in the collective memory will be presented, for this concept is crucial to analyze storytelling implementation.

Figure 4: Process of emergence of myths in the Collective Memory



Note: Adapted from Baskin (2005)

The human species has been able to understand and give sense to the world through the use of storytelling. As Rhodes and Brown (2005) quote Kearney (2002), a story is a “creative re-description of the world such that hidden patterns and hitherto unexplored meanings can unfold” (p. 167). It is in this space of re-description where the negotiation of meanings takes place. We as humans do this because, in order to understand the complexity of the events that surround us, we need storytelling to simplify our reality and make sense of it (Baskin, 2005). As maintained by Reissner & Pagan (2013, p. 45), who make reference to both Weick (1995) and Louis (1980), the *sensemaking process* is “how people attribute meaning to unexpected events, both individually and collectively, and they do so by telling stories to themselves and others”. This is a crucial aspect of storytelling that is common throughout the literature in the subject. Feldman also addresses the ability of stories to make sense, pointing out that stories have their own “implicit morals” through which we can understand the events that surround us (Feldman, 1990, p. 812). A simplification of this could be the pre-conscious internal storytelling (Baskin, 2005) we use to remove the noise and focus on the main events that surrounds us. Therefore, stories allow us to create sense (i.e., sensemaking) of external events so that we can respond to these stimuli. In simpler terms, internal storytelling consists of the explanations of the events we create pre-consciously based on our own experiences.

As formerly mentioned, the sensemaking process has an individual, pre-conscious and internal level. However, it also has a collective one. It is at this collective level where we find the *collective memory* concept. Going back to our first definitions of antenarrative, narrative and myth, when a story reaches a myth status it becomes part of the collective memory, for it is shared by multiple individuals. As Boje (2008, p. 9) summarizes from Maurice Halbwachs’ *On Collective Memory*, our individual memory is “intertwined with group memory”. This implies that the first level of sensemaking refers to an individual creating sense of the events surrounding said person. This is mostly pre-conscious and coincides with the prior antenarrative description. Once the antenarrative, created through the process of individual sensemaking, starts to become shared and accepted throughout a group, it becomes a shared meaning of how a community understands, and even predicts, the world. In this space of shared sensemaking, creation of narratives, myths and terse storytelling can occur.

If we take into account McNett's article, during the process of storytelling the brains of the storyteller and the listener are synchronized (McNett, 2016), which allows the sharing of meanings to create sense of phenomena that surround us and our community. He also points out an individual process of storytelling through which our brains "constantly and unconsciously play out scenarios that hone neural pathways and allow the real action, if it is ever taken, to be sharper and more efficient" (ibid., p. 185). These insights support the theses of the two levels of sensemaking: the internal and individual stage, and the shared and collective one.

The last concept to address in this first part of the framework is the *performance-context* of storytelling. One of the criticisms directed by Boje (1991) at the academic study of stories, is the fact that it tends to be conducted with a stories-as-text approach. In a stories-as-text research, the empirical focus of study is the content of the stories, thus focusing on the four elements of the story mentioned previously. However, they fail to introduce other, less tangible, aspects of a story, such as the reactions, the social cues, or the tone of the story. The research on storytelling should include the performance-context information to examine the "storytelling event" (Boje, 1991, p. 110). As he states, stories are "contextually embedded", which suggests that, in order to fully grasp the meanings shared through a story, a researcher should take into account the situational context of the storytelling event.

Based on Boje's conclusions, the performance (or, non-verbal communication of storytelling) is important to fully understand the shared meanings inside the collective memory (Boje, 1991). Through his analysis, we can conclude most of storytelling inside a community is done through conversations and with the implementation of terse storytelling, making the people engaging in storytelling co-producers of the story. For this purpose, social cues, such as "head nods, changes in posture" or even the tone of the speaker are needed to understand the "joint performance" of the individuals engaging in storytelling (ibid., p. 108).

Storytelling in the corporate sector

It is essential to comprehend the evolution, models, uses and effects of storytelling in general, in order to analyze how they apply to storytelling in the workplace. A narrative approach in research on corporate management and organization did not start until the 1970s (Rhodes & Brown, 2005). However, once these narratives in the workplace became a subject in academia, they allowed researchers to dive into the “emotional and symbolic lives within organizations” by understanding the subconscious “images” inside an organization (ibid., p. 169). Nowadays academics and practitioners not only implement a narrative approach (e.g., analysis through stories) to theory, but also in methodology and/or data analysis (Rhodes & Brown, 2005).

Nowadays the role of storytelling as a management tool has spread into the business sector, with authors such as Yiannis Gabriel’s *Organizational Storytelling* (2000), Karl Weick’s *Sensemaking in Organizations* (1995) or David M. Boje’s *The Storytelling Organizations* (1991) further exploring the impact of stories on organizational practices. As Denning (2004) points out, several articles in business journals, such as the *Wall Street Journal* and the *Harvard Business Review*, have also touched upon this subject.

Narrative research in organizations has become a valuable tool in studying power and politics, change, communication, identity and sensemaking inside an organization (Rhodes & Brown, 2005). As Stephen Denning remarks: “stories constitute the lifeblood of an organization” (Denning, 2004, p. 2); as a result, concepts such as Learning Organizations and Storytelling Organizations, as well as Organizational Stories and how these can be analyzed through the Storytelling Method have arisen in academic and business conversation. Stories in the workplace can be a valuable source of knowledge in management. Through the use of storytelling in management, constant revision of organizational myths takes place, which fosters a better environment for change or crisis management. In addition, the stories inside a company not only transmit information, but also work as a tool for constructing (Feldman, 1990) the reality inside said company, by influencing the identity, the culture, hierarchy and the origin of an organization, which can foster more employee engagement, a stronger loyalty to the brand, and create power structures.

The concept of *Learning Organization* was introduced by Senge (1990) thirty years ago. These organizations create structures for emergent learning, through a collaborative effort to achieve one meaningful purpose (Mastio, Chew, & Dovey, 2019). This framework looks to enhance learning throughout the complex dynamics and context of a system, promoting a “sustainable value co-creation” (ibid., p. 292). These organizations foster five activities without which the Learning Organization could not thrive. These activities are: (1) personal mastery, (2) complex schemas or knowledge structures to understand the activities inside the organization, (3) encouragement of cross-sectional learning throughout the teams of the organization (4) shared vision of goals and (5) system thinking, which is the understanding of all the interrelated parts that interact inside the organization (George & Jones, 2012).

Knowledge management is fundamental for Learning Organizations to achieve the five activities (George & Jones, 2012). Knowledge management is a practice based on the use of informal knowledge and know-how that has not been recorded in official documents (ibid.) This information is key for improving the operations inside a company, better understand the corporate identity and capitalize valuable knowledge that may have been overlooked. Storytelling is an integral part of knowledge management, as Stephen Denning points out (2004).

Similarly, there is the *Storytelling Organization* which is, according to Boje (2008, p. 7), a “tapestry of multiple interacting, interpenetrating collective memories of members of various groups”. In this system, the organization revolves around the storytellers, who “imprint collective memory” (ibid.), thus having the power to change the organization. The role of storytellers in these organizations is important because, as Seely Brown (2004, p. 3) presents, stories “facilitate unlearning” by changing our “unconscious practices and sensibilities” used for sensemaking. Therefore, storytellers with the ability to change the stories have the possibility to create learning and unlearning, leading others to reinterpret their world through a different lens, thus allowing change and adaptation to thrive. Arguably, all organizations could become Storytelling Organizations because, as it has been mentioned before, storytelling is a basic activity of human organization and cooperation. Nevertheless, the key to being a Storytelling Organization is to empower the storytellers and benefit from their

communicative power, so as to create overt discussions throughout various levels of the company.

As summarized in Figure 4, whereas in a Learning Organization we find value co-creation and knowledge at the center, a Storytelling Organization focuses mainly on the stories and the storytellers as actors who can change the system. In relation to the process of emergence of myth, folklore and legend (see Glossary, pg. 41), a Storytelling Organization focuses on the creation of folklore; whereas, a Learning Organization creates myths and legends (for example, legends of origin or myths revolving on past victories). These two are not mutually exclusive, in fact they reinforce each other. A Learning Organization can become a Storytelling Organization if it decides to use the storytellers as means to achieve the five activities of a Learning Organization. At the same time, a Storytelling Organization could benefit from applying Senge's framework of Learning Organization.

Inside both of these organizations we find organizational stories. Thier (2017) mentions one specific study done by Martin et al. (1983), in which the authors collected stories across different companies and found out they all share similar topics including, but not limited to, stories about status differences, about securities and insecurities or degree of control. She also addresses the various effects of stories inside an organization, for example, preserving the founding myth, social construction or preservation of the organizational culture (ibid.). Reissner and Pagan (2013) also address this aspect of storytelling and present other categories of stories that can be applied to management practice. These categories include leadership, change management, professional development and innovation & creativity; and each encompass various managerial functions of storytelling.

The recurrent presence of organizational stories in companies has led to an increasing interest of storytelling analysis. For this reason, Thier introduces the *Storytelling Method*, developed by the Massachusetts Institute of Technology (MIT). This method has become a core aspect of organizational learning because through its implementation the company or organization can gather, record, and analyze the knowledge and perspectives from the experience of the employees (Thier, 2017). This method gathers and analyzes knowledge from various levels, with the aim of preventing past mistakes.

This procedure allows the company to gather information across company levels, creating narratives that can be transferred from one employee to another.

The Storytelling Method also allows the company to gather corporate stories in their entirety, since rarely a story is told completely in the workplace. As Boje coins, inside a company the use of terse storytelling is more prominent. As previously mentioned, terse storytelling is “an abbreviated and succinct simplification of the story in which parts [...] are left to the hearer’s imagination” (Boje, 1991, p. 116). In his analysis Boje concludes that in certain situations “the story details are so terse that, at first glance, there may not appear to be a story at all” (p. 121), while also mentioning that stories in a social organization are often interrupted by dialogue. With this we can infer that storylines are told in order and entirely only when an outsider to the group lacks the necessary background information to properly follow the terse story.

Modern corporations have made an effort to become Learning Organizations, incidentally becoming Storytelling Organizations, which rely on organizational storytelling and the analysis of these stories. This change has arisen from the rising interest in strong corporate cultures, the need to foster more flexibility and rapid decision-making to tackle crises such as the COVID-19 pandemic, and the fostering of employee empowerment. One approach for collecting and analyzing storylines is presented with the Storytelling method devised by the Massachusetts Institute of Technology (Thier, 2017). These new changes in business management have shed light on storytelling and its pivotal function in business organizations.

The strategic use of storytelling in the corporate sector is becoming valuable to management, culture creation, and employee engagement. Through new devices such as the Storytelling Method, or new structural approaches as the Learning and Storytelling Organizations, a narrative approach to business management has become more appealing to managers and business theorists. Related to this rising interest in storytelling, we will continue with the applications of storytelling in corporate communication, both external and internal.

Storytelling in a business context is most commonly known as a strategic tool for external communication, for example in Marketing or Branding. It is most commonly

applied on an operational level, focused mainly as a communicative tool (Fog, Budtz, Munch, & Blanchette, 2010). Storytelling in these activities, Marketing and Branding, will be further discussed in the following paragraphs. Figure 5 shows four different cases where business storytelling takes place and the different aspects of each scenario as explained in this research. It is important to keep in mind that these are not mutually exclusive, since a company can be both a Learning Organization and Storytelling Organization. Moreover, storytelling can be used in external and internal communication at the same time, but for different purposes and practices as shown in the Figure 5.

Figure 5: Business storytelling: where does it take place and main characteristics of each



The strategic use of storytelling in external communication has proved to be successful for strategic Marketing planning. As Joe Pulizzi argues, content marketing relies on storytelling to create compelling marketing content that revolves around the brand. The key of content marketing is to create consistent, coherent and interesting material for the audience, and for this to be effective it needs a clear storyline behind. The author even affirms that “storytelling is at the center of new marketing today” (Pulizzi, 2012, p. 118).

Storytelling is also at the heart of Branding for, as Fog et al. highlight, a brand is a story, since a brand needs to represent values, a core message (or purpose), creates a benefactor that helps the community and attempts to build a myth to strengthen its

identity. As an intrinsic practice in Branding, which encompasses both external and internal activities, storytelling can be used strategically to create one consistent storyline throughout all the communication channels (Fog, Budtz, Munch, & Blanchette, 2010).

Despite its more frequent use in external communication, Storytelling can also be applied to strategic internal communication and management in the workplace. In fact, the use of storytelling in this area poses several possible benefits. Since stories are a sensemaking tool, they can create and shape values, routines, and events, as well as be used for a more persuasive communication (Reissner & Pagan, 2013). Through these means, storytelling can determine the culture of the organization, help share knowledge and guidelines, as well as increase employee motivation and engagement (Thier, 2017). The examples that will be presented later in the analysis show how storytelling is a promising tool to create feedback channels and provide context across the organization, making it a strategic management tool.

As we have seen, storytelling is an inherent ability of the human species. It has been used for ages, building various types of social organizations and structures. However, especially in a business context, the analysis of organizational stories has been neglected for some time, since storytelling has been considered more art than research (Rhodes & Brown, 2005).

From 1970s onwards, the increased interest in the study of stories moved into the business practice, where storytelling is more commonly used as a strategic tool in external communication, through branding or marketing. However, the potential of storytelling for value co-creation in knowledge management, for change management and for culture creation makes it worth taking into account for both the study and the implementation of internal communication.

Objectives and Research questions

After an extensive examination of the available literature on the topic of storytelling and stories in general and specifically in the corporate sector, this study will seek to answer the question: According to the literature available, how is storytelling used strategically in the corporate sector? The author's hypothesis is that storytelling, although more frequently used in external communication strategies, is also common at the workplace, even if its use is less strategic and frequently incidental. On top of this, the author believes storytelling can become an asset as well for a strategic and effective internal communication and management. Through deductive reasoning, the author believes the concepts found in the literature researched will help conclude that storytelling has benefits for corporate communication (both internal and external). Since the examples chosen for internal communication in the workplace are closely related to management, the present study will attempt to propose other storytelling benefits for management, as well.

The two main objectives of this study are (1) To present different storytelling usages in internal and external communication and (2) to develop on the potential benefits of corporate storytelling. In addition, this second objective will focus on three areas: (1) in a company's external communication, (2) in the company's internal communication and (3) in management if the company seeks to become a Learning Organization. For this, the study will use Netflix company as a case study in which to analyze whether storytelling is a central tool to maintain their culture of Freedom and Responsibility.

Methodology

As previously stated throughout this study, the main objective of the author is to present the use of storytelling as a communicative tool in both external and internal communication, and management for Learning Organizations so as to evaluate the possible benefits in its strategic implementation. Through deductive reasoning, this study aims to understand by means of a case study if the benefits proposed in storytelling literature can, in fact, aid a company to reach its corporate and communication objectives. Based on the literature presented in the theoretical framework, the present research will analyze Netflix communication practices to get a better understanding of how a cross-cultural organization utilizes storytelling effectively to appeal to their target audience (both inside and outside the company). The methodology will answer the following questions:

- (1) What research design was chosen and why?
- (2) Where has the literature been researched?
- (3) Which relevant authors have been used in the Theoretical Framework and Analysis and why?
- (4) Why has Netflix been chosen as the company to analyze?
- (5) What examples of this company will be analyzed and why?
- (6) How will this company's use of storytelling be analyzed?

For this study, the literature was found through several libraries and search engines through the use of key words such as 'storytelling', 'stories', 'corporate storytelling', 'organizational storytelling', 'business storytelling', and 'management'. Furthermore, the author used a snowball system revising existing bibliography in other works, which led to new papers and authors, for example, Feldman (1990) and Boje (1991, 2008). Other significant titles were provided by my academic advisor (e.g., Propp, 1968; Baskin, 2005; McNett, 2016). Through the authors cited, the present study was able to define the criteria and terms applied.

In order to better understand the definitions and uses of storytelling in the corporate sector, a case study seemed most appropriate since it allowed the author to evaluate storytelling use throughout a company's communicative channels. By presenting an

equal corporate environment, his study can determine if there may be differences in storytelling implementation in external and internal communication. For this reason, a sample company needed to be chosen to further examine the benefits of storytelling implementation in strategic internal and external communication. After taking in consideration other key companies – for example, Nestlé or IBM – the author decided to focus on the company Netflix, due to the easy accessibility of its data, since it is a very open and transparent corporation.

This company provides its own content on their culture and business model. For example, with the publication of their *Culture Deck* in 2009; through the *We Are Netflix* podcast first aired in 2018; and the two books published, *No Rules Rules* by the CEO, Reed Hastings and Erin Meyer (2020) and another by the former Chief Talent Officer, Patty McCord (2018), *Powerful*. With these resources, the author can get a better picture of the company's communication practices both inside and outside allowing us to interpret Netflix's use of storytelling in across the company's communication and management.

The present study aims to analyze both internal and external communication. While the internal communication analysis will be focused on the publications mentioned above, my analysis of storytelling in external communication will be focused on two specific communication campaigns: the Fe de Etarras marketing campaign, and One Story Away branding campaign. The examples were chosen because they illustrate the nuances of storytelling usage. The Fe de Etarras example uses myths and terse storytelling as one storytelling strategy; on the other hand, One Story Away creates a new storyline and applies storytelling to compel the audience. However, both examples show a strategic use of storytelling and received significant reactions from the media and audience. With these criteria the study makes sure the campaigns used will provide an example of strategic and effective external communication, since they have achieved greater impact, while also allowing us to see storytelling applied in various products and across different formats.

Finally, the analysis will use the concepts presented in the theoretical framework to analyze the examples of effective external communication campaigns, and of Netflix internal communication channels. Through two examples that will be presented, the

study can delve into which elements of the story are used and whether the storytelling uses myths and terse storytelling to captivate the target audience. The concept of antenarrative will not be used in the analysis since this type of story remains at the individual level; however, it was necessary for the theoretical framework so as to understand the creation of narratives and myths (both of which will be mentioned in the analysis). With regards to internal communication, the examples of storytelling will be presented as tools for the creation of a Learning Organization and/or Storytelling Organization. The two examples were chosen because they represent two of the main pillars in Netflix culture: feedback and leading with context. These stories also exemplify how storytelling is used in the workplace and how its implementation can work in management.

Through this methodology the author intends to answer the research question: According to the literature available, how is storytelling used strategically in the corporate sector? The study attempts to apply the concepts in the theoretical framework to a specific business case and reach conclusions on storytelling and the potential benefits it presents in communication and management.

Case Study

As mentioned before, stories can be found at the core of any organization; however, the analysis of corporate storytelling is still far from common in business studies. Many corporations could be presented as acceptable examples of storytelling in the corporate sector; nevertheless, this study will focus on the Netflix organization and its implementation of stories in their external and internal communication. The analysis will first present a brief history of the company and its culture, before proceeding to the analysis of their external communication storytelling using two examples: Fe de Etarras and One Story Away campaigns. Finally, examples of storytelling in their internal communication will be addressed, implemented in two pillars of their culture: a circle of feedback and leading with context, not control.

The Netflix company was founded in 1997 by Marc Randolph and Reed Hastings, and started as a DVD-by-mail service. In fact, its streaming service was not introduced until 2007 when the company decided to change its business model (Netflix, Inc., n.d.). Nowadays, Netflix has produced several award-winning shows, and has over 200 million subscribers (Lee, 2021). The implementation of streaming was a game-changer for the industry, allowing Netflix to differentiate itself from its competitors. Nevertheless, as highlighted by both founder and current co-CEO, Reed Hastings, and former Chief Talent Officer, Patty McCord, it is their unorthodox culture that has allowed the company to create constant innovation and become a market leader (McCord, 2017; Hastings & Meyer, 2020).

The Netflix culture is known as a culture of *Freedom & Responsibility* (or F&R) and it was first summarized (and published) in 2009 as a bundle of slides called *The Culture Deck*. This Deck worked as a guide of how to operate when working at Netflix, and now it has evolved into the Netflix Culture Memo on their website. Their culture of F&R is based on five key principles: (1) “encourage independent decision-making by employees”, (2) “share information openly, broadly and deliberately”, (3) extraordinary candidness, (4) “keep only our highly effective people” and (5) “avoid rules” (Netflix, Inc., n.d.). Keeping these five principles in mind is vital in order to properly understand business and innovation at Netflix. Their culture creates an environment for high performers who are expected to take responsibility for their business decisions instead

of seeking to “please their boss” (Hastings & Meyer, 2020, p.130). In this model, bureaucracy and controls are removed, which in place dismembers the hierarchical pyramid structure, common in most corporations. Netflix instead works with a tree-shaped structure, as seen in Figure 7, where the CEO becomes the “roots” (ibid., p. 224). The CEO then sets the context so that at each level of the company, from the Chief Executives, managers and ultimately employees, this context becomes more precise and actionable. This structure promotes decision-making and innovation at every level of the company, and it is controlled not by norms, but by a company-wide circle of feedback which will be explained in detailed later on.

The corporate culture at Netflix is practiced all throughout the different departments and international subsidiaries, as we can see from the various interviews on the *We Are Netflix* podcast (Halcombe & Colker, 2018; Okiura & Derderian, 2019; Hyman, 2020). Consequently, the culture has a great impact on their external communication campaigns, such as for Marketing and Branding. For example, regarding Netflix’s Marketing strategies, the F&R culture boosts the local responsiveness of their local campaigns. For instance, the regional Marketing for the Northern, Central and Eastern Europe region adapts their campaigns based on the local narrative in order to create new conversations revolving on the show or on Netflix. These local narratives are the myths, legends or folklore rooted in the collective memory. Their approach is highly centered on the storytelling and the collective memory of the region, in order to bring higher impact by creating local relevance (Verrier & Ambrosiewicz, 2019).

In order to present how storytelling can be implemented in external and internal communication, four different scenarios will be given. The first two are external communication campaigns that exhibit two different storytelling usages for compelling campaigns. The latter two campaigns will depict storytelling in the workplace through internal communication channels, showing two important management objectives (constant feedback and providing context) that can be achieved thanks to storytelling.

Analysis of storytelling in external communication

The first example to be explained will be the *Fe de Etxarras* billboard in 2017 (Figure 5). This campaign illustrates the use of local narratives to enhance the impact of the campaign. The movie *Fe de Etxarras*, or *Bomb Scared* in the English version (Hart, 2017), is a black comedy movie that revolves around four members of the ETA terrorist group (*etarras*) that await the instructions to carry out an attack during the Spanish victory in the South African Football World Cup in 2010.

Figure 6: *Fe de Etxarras* billboard in San Sebastián



Note: From *La Razón* (2017)

Before analyzing the campaign, it is important to give the proper background to this terrorist group and the conflict surrounding it, so as to understand the use of local narratives in the campaign. This is relevant for our topic because local narratives are the same as the narratives and myths found in the collective memory, which is one important aspect to take into account for storytelling. ETA (*Euskadi ta Askatasuna*, or Basque Country and Freedom) was a revolutionary terrorist group active from 1959 up until October 2011 when they ceased all activities (Buesa & Baumert, 2012). The group

sought the independence of the Basque Country from Spain and France, although it mostly operated inside Spanish territory. The historical tension from several independentist efforts, the Franco government's attempts to repress Basque culture and the fear that the "Basque culture was in imminent danger of extinction" from incoming immigrants from other provinces (Douglass & Zulaika, 1990, p. 243) led to the rise of this insurgent group. Their activities were most prominent during the late 1970s and early 1980s (Buesa & Baumert, 2012) including, but not limited to, kidnapping and extortion, blackmail, looting, and bombings.

For the movie *Fe de etarras*, Netflix decided to position a billboard in the city center of San Sebastian, a city in the Basque Country, that read "*Yo soy españoool, españoool, españoool*" (which translates to, "I am Spanish, Spanish, Spanish") alluding to a typical Spanish football chant. However, on this billboard the three '*español*' were crossed out in red, followed by the name of the movie and date of the premiere.

The campaign got mixed reviews from the press (Europa Press, 2017; El Confidencial, 2017; Costa, 2017), and heavy criticism from the Association of Victims of Terrorism, or AVT for its Spanish acronym, to the extent that the Minister of Interior at the time, Juan Ignacio Zoido, had to formally ask Netflix to take down the billboard (El Confidencial, 2017). However, other political actors such as Borja Sémper argued in favor of the film and the campaign (El Confidencial, 2017).

As evidenced by this example, an important aspect of Netflix Marketing communication is the use of local narratives as a focal point, which leads to storytelling being a key strategic tool for an effective communication. These local narratives are in line with our pre-established concept of the emergence of stories as myths in the collective memory, making storytelling a strategic approach to local campaigns. In fact, the billboard can be interpreted in two opposite ways: if the myths of the collective memory of your group support Basque independence, you may support the billboard; on the other hand, if your collective memory recalls the violence of ETA and the societal division it led to, you would find the billboard hurtful - especially when taking into account the strategic and symbolic use of raising the billboard in the city of San Sebastian, which witnessed several attacks by ETA. This leads to new narratives being created by the audience revolving around the billboard and the movie.

This campaign can be considered storytelling because it comprises the main elements of a story. (1) The conflict of the story used in the billboard is the same that arose from this independent movement in the Basque Country; (2) the purpose of this campaign is to bring people to watch the movie so to revisit history through comedy. (3) Although the campaign does not follow a strict BME structure, through terse storytelling the billboard creates a storyline that follows the history of the ETA group rooted in the collective memory. It is terse because it does not explain all the background information; however, members of the community will fill up the gaps of the story according to their experiences and understanding of past events in Basque history. (4) With this strategy, the story comes alive in the narrative surrounding the debate, making the readers in Spain active storytellers sharing the campaigns as well as characters having to face the conflict. Ultimately, someone from outside the target group would never understand the message of the billboard, or the various feelings it evoked in the audience.

Essentially the billboard has three levels of understanding. The first level is for someone outside the culture that does not understand the historic and cultural leverage used in the campaign. At this level, the campaign is not effective, for this person does not understand the message. The second level is for people residing inside Spanish territory, but not in the Basque country – mainly, because of the use of the famous Spanish football chant “*Yo soy españoool, españoool, españoool*”. People at this level will understand most of the conversation, because they have an understanding of ETA’s history, and are alluded to by the chant. The final level is reached by the people residing in the Basque country, whose understanding goes deeper into their collective memory and that may or may not appeal to the scratched out ‘*español*’.

This campaign successfully reaches the values shared in the collective memory of different groups, prompting the audience to react and create new conversations and narratives to explain the events related to the billboard. In this case, the use of storytelling benefited the strategy by using local narratives in the collective memory, thus creating a more impactful communication and driving the target audience to create a conversation around the movie. In fact, the campaign became the topic for several newspaper articles (Vice, 2017; El País, 2017; Heraldo, 2017; El Confidencial, 2017; ABC, 2017).

Continuing with the second example of storytelling in external communication, the author chose the first global brand campaign for Netflix, the *One Story Away* campaign which revolves around a one minute and 54 seconds long video on the power of stories ([here](#) for the video). This video, produced by the agency AKQA, is available on Youtube and works as a great example of the use of BME structure to create a compelling storyline.

Figure 7: Example of billboard from *One Story Away* campaign



Note: This example shows other formats revolving around the video. From AKQA (2020)

The campaign was launched at a global level in September, 2020 and it focuses on the power of stories to connect people and bring the community together. As Eric Pallota, the Vice President of Brand, Marketing and Editorial summarizes, the message of the campaign centers on the power of stories to connect with different people and communities. Although the *One Story Away* campaign does not rely on terse storytelling of shared stories in the collective memory, as the *Fe de Etarras* campaign does, it applies other elements of storytelling to create an engaging campaign. These elements are conflict, purpose, and the hero's journey model. This campaign was launched on September 10, and as of April 25 it has reached over 11 million views on the global Netflix Youtube channel (Netflix, 2020). The campaign appeared on several online articles as well (Sachitanand, 2020; Nudd, 2020; WPP, 2020).

The video evokes the progress bar seen on any Netflix show (see Figure 7), while it merges together famous scenes from various of Netflix's iconic original productions (*Stranger Things*, *Marriage Story*, *The Crown*, *La Casa de Papel*, and *Sex Education* to

name just a few). These scenes follow a voice-over that guides the audience through the journey across these scenes and characters.

As previously mentioned, the video follows a clear BME structure which can be identified by the changes in dialogue. It starts by literally saying “Here you are. The beginning. Your first step into the unknown” (Netflix, 2020, 00:00-00:11). This word choice is interesting for it establishes characteristics of a hero’s journey model as well, the crossing from the normal threshold into the unknown. Through this opening, the narrator establishes the viewer as the hero in this journey. In fact, AKQA describes the viewer as “the key presence” in the scenes shown (AKQA, 2020).

After this crossing into the unknown, the middle part of the journey commences and it is structured as a set of rhetorical questions posed to the viewer or the heroine. These questions follow the same syntax. Some examples are “maybe you don’t know what it’s like to be the most powerful person in the room” (Netflix, 2020, 00:15), “Maybe you don’t know how it feels to have your loved revealed” (Netflix, 2020, 00:43). Each of these questions forces the viewer to answer if they do or do not connect with the characters and the events shown throughout the various questions. So these could be seen as the various tests that the heroine has to overcome: each test require the heroine to connect with the characters and even grow with them through the shared journey. These questions would become the tests or conflicts because they force the audience to find solutions.

In this sense, Netflix would then become the helper, which is also very typical in the hero’s journey model. The streaming service takes this role because, in order for the viewer, the heroine, to overcome the tests – i.e., to understand someone else’s world, to connect with them and “put us their shoes” (AKQA, 2020)— it needs the help of Netflix to get access to the characters and their lives.

Continuing the hero’s journey model, the revelation or rebirth of the story arrives when the narrator says “Sure, there’s a lot you may not know” (1:23), because once this point is reached, the heroine has to acknowledge her limitations and take a major decision in this case, to make an effort and get new perspectives from other characters in Netflix originals, so as to bring a personal transformation for the heroine.

Just as in the beginning, the ending is also verbally stated in the video: “because in the end, we are just one story away” (1:31) followed by the Netflix logo. At the end, the heroine has overcome a personal transformation because she is able to understand that “no matter who you are or where you are, we’re all only one story away from seeing, feeling and connecting more” (Pallotta, 2020). To summarize, in this One Story Away campaign, storytelling is not only the central theme, but also the strategy used to make an engaging brand video.

These two examples proposed show differences in the use of storytelling in external communication. The first example takes advantage of myths in collective memory and terse storytelling to create conversations, while the second applies a BME structure with hero’s journey characteristics, to prompt the viewer to act and watch more Netflix content. Since the One Story Away campaign creates a new narrative, it cannot use myths in the collective memory. Nevertheless, both apply dynamics of storytelling to create effective strategic communication. Although these applications of storytelling are different from one another, they are both used strategically and intentionally. This is one key characteristic of storytelling in the external communication: the creators of these campaigns were aware of the impact of stories to create a successful campaign, something that is not always seen for internal communication in the workplace.

Analysis of storytelling in internal communication

Moving forward to the second analysis, this study will focus on storytelling in internal communication. Internal communication at Netflix is key to maintaining their culture of F&R and lower controls. As Patty McCord (2017) describes, “clear, continuous communication about the context of the work to be done” (p. 20) is what allows a company to take down processes and bureaucracy. In turn, this downsizing of bureaucracy fosters innovation.

At the same time, Netflix promotes constant feedback across the organization to maintain the quality of employees and their performance through a system called *Feedback 360*, an annual written report where each employee can provide feedback to any other member of the organization. Nonetheless, Netflix advises to be specific about

the feedback, provide clear examples and signing your name (Hastings & Meyer, 2020). With this activity, employees are encouraged to give honest and useful feedback to their peers and even bosses. At the same time, their superiors are expected to lead this practice by sharing the feedback they receive. In fact, this feedback loop to reach personal mastery is one characteristic of Netflix that coincides with Senge's definition of Learning Organization.

The examples shown by Hastings & Meyer (2020) of the Feedback 360 are, in essence, terse storytelling. One specific example is presented by Netflix co-CEO and Chief Content Officer, Ted Sarandos. The story starts with a meeting of Ted's team. In order to lead by example, Ted shares feedback he has received in order to encourage his team to normalize the practice of giving and receiving feedback. He shares one specific terse story:

“Your “old married couple” disagreements with Cindy are not the best role model for exec interchange. There should be more listening and understanding on both your parts” (Hastings & Meyer, 2020, p. 196).

This paragraph has a different written format from the structures we are accustomed to in movie storytelling or in literature, for instance the previously mentioned BME, Freytag's pyramid or Campbell's hero's journey. In fact, this feedback shows how storytelling in companies is terse and harder to grasp for outsiders to the group. This is also a good example of how we try to fill the gaps of the story: intuitively we create pictures in our minds of Cindy, Ted, of the discussion and even the setting where the discussions took place.

Nevertheless, Ted Sarandos' story shares the four elements of any story: message, character, plot and conflict. The message or strategic purpose is to bring a better work environment with more understanding from all parties involved. There is also a moral purpose involved, since the writer of the feedback presents his/her position on what is the right environment for the group. The conflict would be the “old married couple” disagreements interrupting the meeting, and the characters would be Ted, Cindy and the other executives witnessing the argument. Finally, the plot does follow Freytag's pyramid, albeit some parts are left out from the explicit writing and filled in by our own antenarrative (e.g., what might have happened based on personal experience). (1) The

introduction would be the start of the meeting and the presentation of the topics on the agenda. (2) The rising action would be the start of the debate, where the members can express their opinions. (3) The climax would be the start of the argument, the point of no return when the “old married couple” disagreement begins. (4) The falling action then could be the development of the discussion, maybe even involving other members of the team to reach a consensus. Finally, (5) once the argument is settled and the meeting finished the story goes back to equilibrium.

The example above shows how intricate corporate storytelling can become, which is why the study of storytelling in a corporate setting is very complex and, as we previously mentioned, should include a performance-analysis instead of focusing only on a stories-as-text approach. An example of this performance dimension in feedback at Netflix, is the mandatory signing of the feedback any employee writes. This way, the receiver of said feedback can contextualize the comment, and examine the scenario where the event took place.

Another aspect of the Netflix culture that benefits from the strategic use of storytelling is leading with context, not control. Through this approach, you allow more freedom to your employees by providing “all the information so that your team members make great decisions” (Hastings & Meyer, 2020, p. 209). Storytelling is a channel that can help distribute context since it allows the process of sensemaking to take place, allowing all employees to understand the perspective of the organization. As McCord (2017) points out “people need to see the view from the C suite in order to feel truly connected to the problem solving that must be done at all levels and on all teams” (p. 25). For example, at Netflix the Quarterly Business Review is presented to all employees, though in most companies this information is kept secret for only top managers and investors to see (Hastings & Meyer, 2020, p.114).

Through this transparency and constant communication, Netflix becomes a Learning Organization, since it (1) seeks personal mastery for its employees; (2) they set a shared vision by “aligning on a North Star” (Hastings & Meyer, 2020, p. 218); (3) there is cross-sectional sharing of context and knowledge and (4) company-wide feedback and transparency is encouraged. Lastly, (5) the system thinking of a Learning Organization

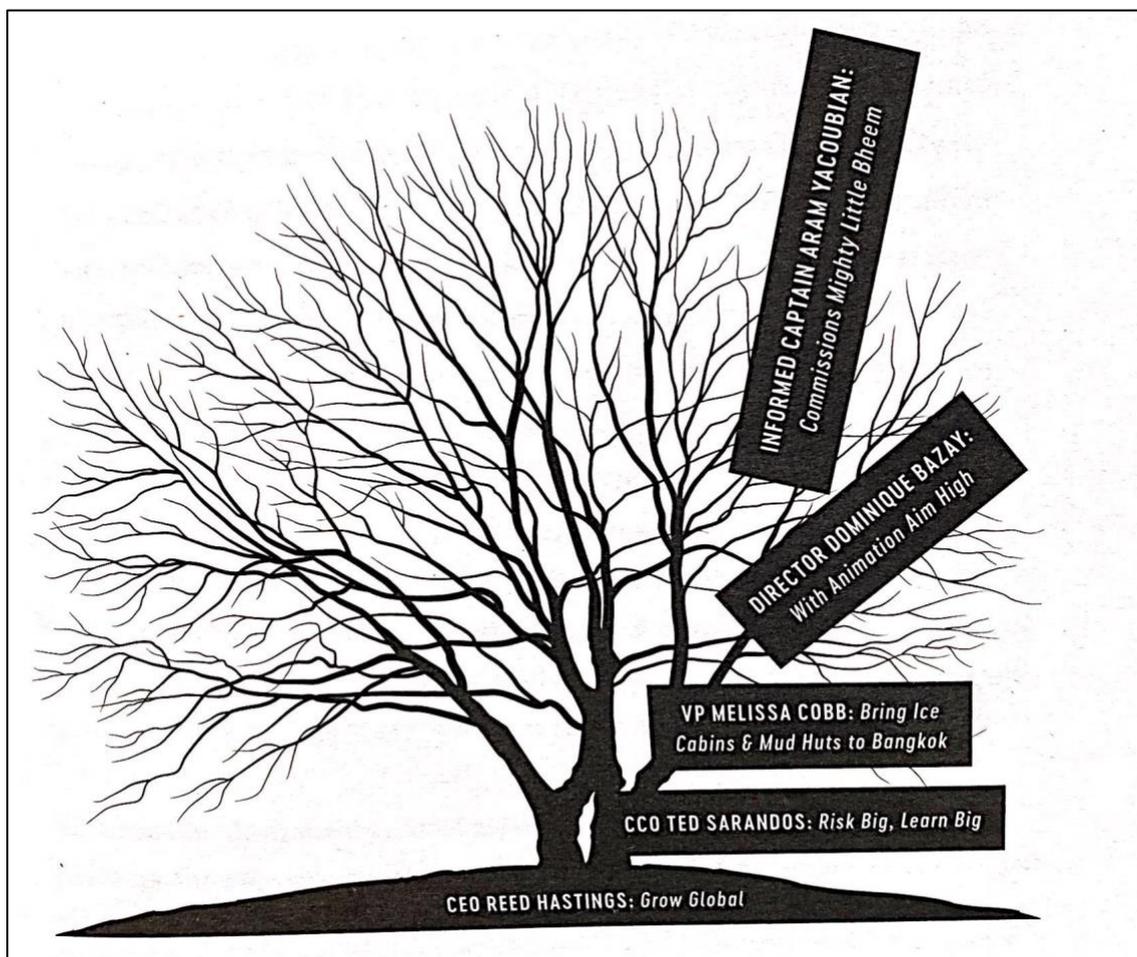
is established thanks to their practice of “socializing the idea” (ibid., p. 140) and motto of acting in Netflix’s best interest (Hastings & Meyer, 2020; McCord, 2017).

Additionally, Netflix also becomes a Storytelling Organization because this context-focused leadership reinforces the power of corporate storytellers. In this Storytelling Organization, the information of the corporate narrative is built throughout several storytellers across various levels in the company who add to the storyline based on the information given by their bosses. Similarly, the annual Feedback 360 report could be considered an application of the Storytelling Method, since it allows the “documentation, evaluation and preservation of employees’ experience and knowledge” (Thier, 2017).

Leading with context, not control shows the benefits of building a simple storyline that allows employees to test the corporate narrative and keep developing the story. Additionally, this example of co-creation of storylines shows how storytelling creates and shares reality among peers of the same community. By this practice of reality co-creation and sharing, Netflix provides context instead of imposing regulations and controls, as shown in *No Rules Rules* (see Figure 7). The example starts with the co-CEO, Reed Hastings addressing the need for going global during a Quarterly Business Review. With this first step, Hastings becomes the origin of the storyline by introducing the story: the company is growing more globally, so now we should align our strategy to foreign markets. Sarandos continues this storyline when he states to his team that there are several characteristics of foreign audiences that they still do not know. Up to this point in the example, the context has shown a Freytag’s pyramid structure: (1) an introduction provided by Hastings, and (2) the complication that forces the character (in this case, the company) to act. The example continues with the Vice President of Kids & Family, Melissa Cobb, when she presents the storyline of the context to her team while adding to (3) the rising action. She proposes that Netflix should have more original content produced in different countries so as to bring more variety to kids programs. The rising action continues through related events such as the decision of choosing animation as the best approach to global content for children. All of the rising action leads to an employee, Aram Yacoubian, who was aware of the corporate storyline, to invest in an Indian animation series. At this point, the company reaches the (4) climax: the point of no return (in this case, to invest at a risk, or not to invest at all).

The falling action (5) would then be Netflix carrying out the investment and producing the original series. Finally, (6) the resolution to the story is reached with the success of the animated kids show *Mighty Little Bheem* (Hastings & Meyer, 2020).

Figure 8: Netflix corporate structure



Note: From *No Rules Rules* (Hastings & Meyer, 2020, p. 223)

In this corporate storyline the employees act as helpers or benefactors of Netflix, and the collective memory of the employees at various levels becomes intertwined creating a collective corporate narrative. This way, the context takes a story-like structure, thus prompting employees to act and find solutions and promoting sensemaking through the organization. This example also shows how the storytelling process as an internal communication channel is more informal than in external communication strategies. In this model, the participants of the group become the storytellers in this Storytelling Organization, active members in the collective process of storytelling, instead of creating a top-down, one-way model of communication. Since Netflix empowers its

employees to become storytellers in the organization, they are able to change the corporate narrative. These corporate stories then can become corporate myths, legends or folklore once the knowledge obtained during the experience is shared across the organization and across various generations of workers.

Answering the second research question on storytelling and its benefits in communication and management, these four cases highlight the different implementations of storytelling, and its benefits in corporate communication and management. As previously mentioned, stories allow the company to create engaging marketing and branding campaigns. Additionally, stories in internal communication channels can help share knowledge, give feedback, provide context and reduce control and hierarchy. We could infer that through corporate stories a stronger brand is created both through internal and external channels, thus promoting Netflix image inside and outside the organization.

Furthermore, the last two examples of storytelling in the workplace show how storytelling is applied at Netflix at a management level, not just as a communicative channel. Netflix urges its managers to share these feedback practices and to manage with context, instead of control. In order to do so, storylines and new corporate narratives become strategic tools that can foster the corporate culture. Stories in the workplace can “create dialogue between storyteller and audience” (Reissner & Pagan, 2013, p. 23), allowing a two-way communication system to flourish. Using storytelling for management can at the same time bring other benefits such as “improving relationships at the workplace”, “encourage sensemaking”, and “foster active learning (ibid., p. 24-25). This way, stories allow Netflix employees to create and share the corporate reality, as well as make sense of this reality.

On the first two campaigns, we see how storytelling can create an engaging Marketing and Branding campaigns, by the use of stories in the collective memory, or by creating new storylines to attract a global audience. On the other hand, the last two examples, demonstrate how storytelling can become a channel of context and feedback. In a company such as Netflix, where personal mastery and transparency are drivers for innovation, storytelling can help to share knowledge and feedback, build context, and create new narratives. At the same time, these last examples illustrate Netflix use of

knowledge management, applied at various levels of the organization's decision-making process. Feedback and context allow the employees to make decisions based on the knowledge shared through organizational stories.

Through these four examples it is possible to examine the differences between storytelling in external and internal communication. For external communication, the storytelling is consciously used in strategy, whereas for internal communication it tends to be applied through terse storytelling, thus at first glance it may not even look like a story (as was the case with the Ted Sarando's story). At the same time, the storytelling in internal communication becomes more dynamic by the active revision of meanings and emergent narratives into the collective memory carried out by the storytellers. By contrast, for an external communication the campaign can decide whether to drive conversation or not, depending on the strategic purpose as it has been seen on Fe de Etarras. Lastly, the effect of storytelling in internal communication becomes harder to grasp since measuring the benefits and the results is complicated, though for external communication the company can track the impact on social media or newspapers. The examples presented depict how the storytelling practice is not a blueprint that can be carried out the same way for different situations, for the objectives of the communication should be carefully considered before applying storytelling.

Conclusion and proposals

The present study had two main objectives: (1) to present how storytelling is used in the corporate sector and (2) propose the potential benefits of corporate storytelling in three key areas – external communication, internal communication and management. These objectives were achieved through a case study analysis of Netflix company.

In the Literature Review and Theoretical Framework, the research presented key concepts on the study of storytelling such as the process of emergent stories into the collective memory, through the development of stories from antenarrative to narrative and finally the consolidation into myth, folklore or legend. Other relevant factors in storytelling analysis were described, as the performance-context approach or the sensemaking process.

Regarding the first objective, the author used four examples to present variations in storytelling implementation. Two examples of external communication and other two of internal communication were described. For the external communication, the examples showed how storytelling implementation can vary from each communication campaign. The Fe de Etarras and the One Story Away campaigns exemplified how storytelling use has to go in line with the objectives of the campaign for an effective communication. For example, the first campaign showed storytelling focused on myths in the collective memory, and fosters the creation of a new narrative. On the other hand, the second example created an effective story by employing the hero's journey model. These first cases present the benefits of storytelling for an external communication campaign: through stories a campaign can be more engaging, spark conversation, and create connections with the audience.

For the internal communication examples, these showed how storytelling is also used in the workplace, although these stories may go unnoticed as narratives (as in Ted Sarando's feedback story). The first example depicted the benefits of storytelling for giving feedback. The fact that signing the feedback is mandatory shows how understanding the context of a story (who is the storyteller, knowing the setting, tone of voice, posture) is important. By knowing who the author of the feedback is, the receiver of the story gains awareness of the context and can implement (although this may be

unconscious) a performance-analysis of the event (instead of a stories-as-text approach). The second example of leading with context, not control, highlights the importance of knowledge co-creation with employees as storytellers (characteristics of a Learning Organization and a Storytelling Organization). These examples describe how storytelling can bring benefits for management, by providing context and facilitating feedback and communicative channels among employees and managers. Additionally, they illustrate the communicative channels that arise from storytelling in internal communication and present a potential organizational benefit if used strategically.

The current research can be further expanded through several approaches, for instance an anthropological, social, psychological, communicative or business approach. Related to the topic of storytelling in the corporate sector, some follow-up studies could focus on storytelling in multinationals versus its use in start-ups, go more into detail on business storytelling in internal communication, analyze the use of business storytelling in the Spanish corporate sector, or even be able to work within an organization to carry out a case study on its storytelling practice using primary sources.

In conclusion, storytelling in business allows companies to engage in efficient and strategic communication both inside and outside the organization. For this reason, this topic of study should be further expanded, for it can bring several benefits in business communication and business management.

Glossary

Antenarrative: “An explanation for some event” (Baskin, 2005, p. 36). This explanation is based on personal experience, and it stays at an individual level.

Characters of a story: Actors of a story. Some examples of characters are the benefactor, the beneficiary, the supporter, and the hero.

Conflict of a story: The dilemma of a story; central problem that the characters need to solve.

Collective memory: The collective-level of storytelling. The group memory where stories are shared and accepted throughout a community and its generations.

Folklore: Another type of story that reaches the collective memory. Folklore focuses on the performance of the storyteller, rather than the accuracy of the content.

Freedom and Responsibility: the corporate culture of Netflix based on five key principles: (1) “encourage independent decision-making by employees”, (2) “share information openly, broadly and deliberately, (3) extraordinary candidness, (4) “keep only our highly effective people” and (5) “avoid rules” (Netflix, Inc., n.d.).

Knowledge management: Management practice based on the use of informal knowledge and know-how that has not been recorded in official documents.

Learning Organization: First introduced by Senge (1990), this organization aims to achieve five activities: (1) personal mastery, (2) complex schemas or knowledge structures to understand the activities inside the organization, (3) encouragement of cross-sectional learning throughout the teams of the organization (4) shared vision of goals and (5) system thinking, which is the understanding of all the interrelated parts that interact inside the organization.

Legend: Another type of story that reaches the collective memory. Legends focus on historical events.

Message of a story: strategic purpose behind a story.

Myth: One type of story that reaches the collective memory. Myths focus on a character that becomes an idol or hero.

Narrative: “What did happen” (Baskin, 2005, p. 37). This is an explanation that is shared across the community, operation at the collective level. Narratives allow us to predict outcomes and are tested constantly.

Organizational stories: Stories that emerge inside the organization. Common topics include: change, innovation, founding myth, status difference, insecurity and control.

Performance-context: One approach to the analysis of storytelling. This approach highlights the importance of the context and performance of storytelling, instead of analysing through a stories-as-text approach.

Plot of a story: the structure of the storyline; the organization of the events.

Sensemaking process: Process of attributing meaning to events through stories, so as to understand our surroundings. This process operates on two levels: first individual level and second a collective level in the collective memory.

Stories: “Acts of meaning [that provide] opportunities for discovery, learning and sense-making” (McNett, 2016, p. 185).

Storytelling Method: Method to gather, record and analyse the knowledge and perspectives from the experience of the employees. This procedure gathers information across company levels so as to gather and share narratives.

Storytelling Organization: Organization that revolves around the storytellers and incite them to create learning and unlearning throughout the organization, so as to bring adaptation and change.

Storytelling practice: A human capacity to share stories among ourselves, allowing greater societal organizations to be built. It has three main functions (1) create (2) interpret and (3) share reality.

Terse storytelling: A practice of storytelling where the story is not told in its entirety or in order (such as in dialogue). Terse storytelling leaves bits and pieces of the storyline to be filled by the listener.

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