

How “storytelling” establishes and spreads corporate culture: A comparison of two coal companies in China and the United States

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Abstract. Organizational culture is playing a more and more important role in corporate competition. This paper attempts to combine "storytelling" with the construction and dissemination of corporate organizational culture. The aim is to provide an effective perspective and method for how companies can establish and spread culture by applying narrative theory in storytelling. The paper draws on Barthes' structuralism and constructs a narrative theory framework for building an organizational culture based on functional, operational, and narrative levels, focusing on how to “select” and “tell” stories. Using case analysis as a research method, the paper analysis two representative energy companies, China Shenhua Corporation, and U.S. Peabody Energy Corporation, to confirm the applicability of the theoretical framework and identifies differences in their storytelling approaches to building corporate culture. First, in terms of story themes, China Shenhua Corporation emphasizes more on employees and output, while Peabody focuses more on innovation and social responsibility. Second, in terms of story content, China Shenhua focuses more on leadership and executives, while Peabody focuses more on general employees. Third, in terms of story structure, both companies present their stories in chronological order.

1. Introduction

Companies that gain and maintain advantages in competition generally have excellent organizational cultures. As Schein (2011) [1] pointed out, the most attractive part of organizational culture is that it guides us to see the phenomena behind the surface situation, or the influence that truly exists but people cannot see or touch. With the increasing recognition of the importance of organizational culture, storytelling has been considered an effective method for constructing and disseminating culture by various organizations.

Storytelling refers to a symbol system reflected through oral or written language that tells the audience the time and process of events by setting up characters, plots, and even turning points (Bruner, 1990)[2]. In the information age, storytelling can quickly and easily capture the audience's attention (McKee, 1997)[3], making abstract ideas or values more vividly displayed. The feeling that stories give to the audience is like being there (Loebbert, 2005) [4], making them easy to remember, and transmitting information faster (Denning, 2004) [5]. Storytelling has become an important way for employees to learn about organizational culture (Robins, 2010)[6].

Although the method of "storytelling" has its advantages and is widely used, there are still many difficulties in building and telling stories for organizations, especially for managers. In the construction and dissemination of organizational culture, there is still a lack of sufficient theoretical analysis and case studies on how

to construct and tell stories. This article has two main contributions. Firstly, it attempts to combine Robins' theory of organizational culture dimensions with Barthes' structuralist narrative theory to propose a theoretical framework for analyzing the application of "storytelling" in the establishment and dissemination of organizational culture, providing a new analytical perspective for enterprises or some managers to carry out the dissemination of organizational culture in different environments. Secondly, in practical terms, using two famous coal-listed companies from China and the United States as case studies to verify the rationality of the theoretical analysis framework and provide some practical insights to relevant companies.

2. Theoretical analysis framework

2.1 The main characteristics of a "good story"

2.1.1 Good storytelling theme

The theme of a story not only represents the main idea that the storyteller wants to convey, but it can also be the epitome of the entire story. Hatch et al. (2004)[7] suggest that entrepreneurs use these stories to convey profound arguments or abstract ideas through simple narratives, which often reflect the story's theme. Based on Robin's (2005) organizational culture dimension theory and the fact that the case company belongs to the energy industry, which is a type of industry with significant social and

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safety responsibilities, two additional themes have been added to the discussion, resulting in eight-story themes: outcome-oriented, employee-oriented, team-oriented, motivation-oriented, social responsibility-oriented, innovation-oriented, customer-oriented, and safety-oriented.

2.1.2 Good storytelling content

Firstly, a good story must be authentic. Content that happens to employees or in daily life is more likely to spread among employees. In addition, only true stories can convince employees and make them accept the organizational culture they are promoting. Secondly, the story should be accessible, meaning that the story should give employees a feeling that what is being told in the story could happen to them one day. Once employees feel they can also be the protagonist of the story, they will pay attention to their behavior to do their best, giving them a sense of belonging. Thirdly, the story content should be infectious. The infectiousness of a story is also a key factor in its quality, as an infectious story can inspire and encourage its listeners (Xu Yaoqiang, 2009)^[8].

2.1.3 Good storytelling structure.

After obtaining good story material, the next step for managers or narrators is to construct the story. In other words, the narrative structure of organizational culture stories is also important. There are many ways to construct a story, and adjustments should be made based on the actual situation. For example, Simmions (2006)^[9] believes that the narrator can follow a chronological order to tell a good story, ideally consisting of three parts: the beginning, the middle, and the end of the story. If the narrator wants to emphasize a certain part, he or she can choose another way to construct the story.

2.2 The main ways to “tell a good story”

The foundation of telling a good story is having a good theme, content, and structure. Equally important is the way the story is told or narrated, which is a key factor in the successful dissemination of organizational culture through storytelling. Based on Balter’s structuralist analysis, Zhu Liyuan (2005)^[10] divides narration into three levels: the functional level, the operational level, and the narrative level.

2.2.1 The functional level

The functional level is the smallest unit in storytelling and

is the most basic level of narration. Firstly, the language chosen by the narrator should be a universal language that all listeners can understand. Generally, narrators will choose the employees’ mother tongue. Sometimes, using the local language is also a good choice because it makes it easier for employees to understand and creates a sense of closeness. Secondly, the narrator should pay attention to the choice of sentences or sentence structure. These choices are usually based on different situations or the narrator’s different needs. If the goal is to make the listeners understand and spread the story, simple sentences are better. If the climax is being told, longer sentences can be used to express details and make listeners feel like they are there.

2.2.2 The operational level

The operational level, also known as the character level, mainly explores the relationships between characters in the story. According to Balter’s analysis, behavior creates characters. The behaviors in the story may be positive or negative, and it is up to the listener to judge. Narrators combine their norms and rules in the story, and the listener can get inspiration from the case. Listeners can learn from the guidance in the story about what can and cannot be done at appropriate times to increase employees’ awareness. The operational level is based on the functional level. The character relationships in the story are determined by the choice of words and sentence structure at the functional level. The functional level emphasizes the surface level of expression, while the operational level goes deeper, showing the complex or simple relationships between characters and further leading to the story’s theme.

2.2.3 The narrative level

The narrative level is the highest. According to Balter’s research, the narrative level allows the audience to understand the narrator’s deeper meaning and prevents the entire story from deviating from the theme. The narrative level allows the audience to understand the narrator’s deeper meaning and reasonable narration should tell the audience what you want them to know. Building an organizational culture story is to enable employees to fully grasp the organization’s rules and understand the organization’s spirit. The audience can discover patterns from the narration, while the storytelling should avoid any misunderstandings that the audience may have. Managers or narrators can use these stories to guide employees in the right direction.

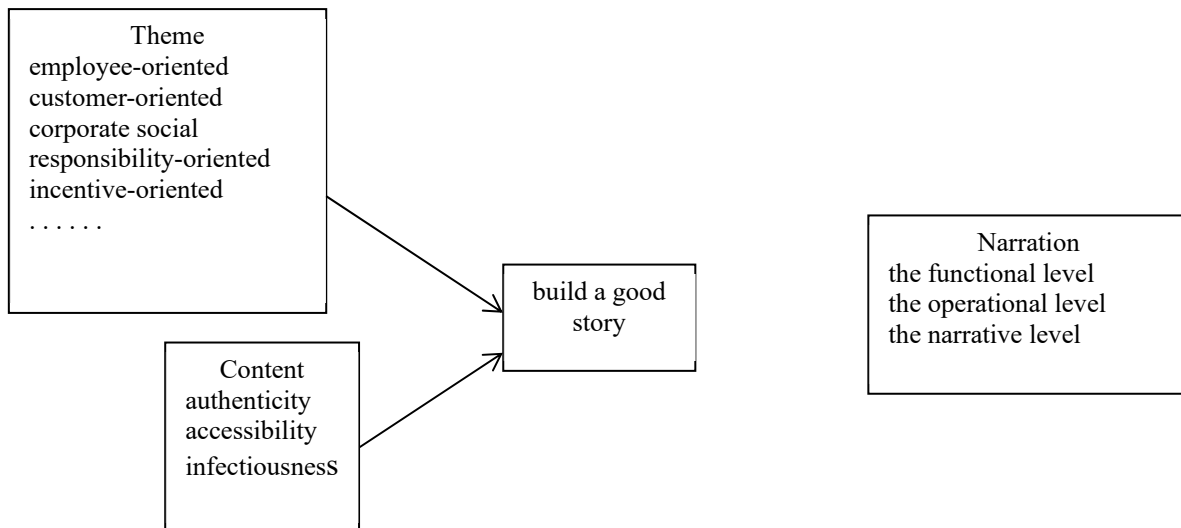


Figure 1: Narrative Analysis Framework for Organizational Culture Stories

3. Case study analysis

3.1 Selection of case enterprises and story texts

This article selects two case enterprises, one is China Shenhua and the other is Peabody in the United States, both are leading coal enterprises in the energy field at home and abroad, and both have excellent and typical corporate cultures with strong representativeness. Shenhua’s organizational culture stories were selected from the *Shenhua Energy Newspaper*. The 107 organizational culture stories of Shenhua were selected from magazines published from 2014 to 2017. Peabody’s organizational culture stories are sourced from *Conveyor* magazine. The *Conveyor* is one of Peabody’s official publications, published thrice a year. 95 organizational culture stories from *Conveyor* from 2014 to 2020 were selected as research texts.

3.2 Comparison of story theme

Firstly, there are story themes oriented toward achievements. In this aspect, Shenhua’s performance is more prominent, reflecting the fact that China has been concentrating on economic development since its reform and opening up. Pursuing profits and performance has become an urgent task for enterprises.

Secondly, there are story themes oriented toward employees. Shenhua is more inclined to pay attention to employees, not only their personal development and daily

lives but also their retired employees. Peabody is more concerned about the self-development of employees. Training in knowledge and skills enables employees to take on higher positions in the organization.

Thirdly, there are story themes oriented toward teamwork. Cooperation is more important in the coal industry than ever before. This is why teamwork is an important part of organizational culture. Both case companies encourage employees to work together.

Fourthly, there are story themes oriented toward motivation. Both companies use rewards and other benefits to motivate employees to work harder and improve work efficiency.

Fifthly, there are story themes oriented towards social responsibility. Both companies are trying to take on some social responsibility. Compared to Shenhua, Peabody emphasized more on corporate social responsibility. Peabody is trying to make breakthroughs in clean energy, which enables them to take on more social responsibility, protect the environment, and leave a clean planet to children.

Sixthly, there are story themes oriented toward innovation. Compared to Shenhua, Peabody invests more in technological innovation. With technological innovation, Peabody can not only achieve breakthroughs in clean energy but also accomplish its environmental protection goals. By contrast, Shenhua focuses on management and technological innovation. Chinese business management lags behind that of Western countries. This is why Shenhua places more emphasis on management innovation.

Table 1: Story Theme Statistics

Theme	Shenhua		Peabody	
	Quantity	Percentage	Quantity	Percentage
Achievement	14	13.1%	5	5.3%
Employee	19	17.8%	6	6.3%
Team	3	2.8%	2	2.1%
Incentive	2	1.8%	3	3.2%
Social Responsibility	17	15.9%	19	20%
Innovation	5	4.7%	17	17.9%
Customer	2	1.9%	6	6.3%
Safety	25	23.4%	28	29.5%
Others	20	18.7%	9	9.5%

Seventhly, there are story themes oriented toward customers. Customers are the most important stakeholders for companies, and most products and services are designed for customers. Customers are the source of a company's profits. Both companies place customers in an important position, maintaining good, long-term relationships with them.

Eighthly, there are story themes oriented toward safety. Due to the special nature of the coal industry, both companies attach great importance to safety issues. Because accidents not only bring huge losses to companies but also destroy families.

3.3 Comparison of story content

The first is authenticity. Shenhua has shared a story about an ordinary employee named Xiao Wang who was saved by his colleagues when he had a heart attack, while Peabody has shared a story about a human resources director who talked about cross-cultural communication. Both stories meet the requirement of authenticity because they are based on real people in the companies. To some extent, choosing stories about popular or well-known individuals can make the audience feel the stories are more credible.

The second is accessibility. Shenhua shared a story about a miner named Kang Long, who had low educational qualifications, and learned operational skills by listening to a workshop manual read by his daughter, while Peabody shared a story about three employees who worked for 30 years without any safety accidents. Both stories meet the requirement of accessibility. After hearing these stories, people may feel that these things could happen to them too. Stories that are closer to the target audience's daily lives make them feel more accessible.

Third is infectiousness. Shenhua shared a story about an employee who took care of his parents by washing their feet, and Peabody shared a story about a safety supervisor who helped a truck driver. These stories meet the requirement of infectiousness. As long as the stories are moving enough, they will have infectiousness and drive the target audience to do similar things.

3.4 Summary of case analysis

Using storytelling to build and spread organizational culture, the theme, content, and narration of the story all affect the effectiveness of the story. To select a good theme for the story, it should be highly relevant to the organizational culture, which is the core of the story. The specific theme of the story may be influenced by the actual situation of the company or national policies. Typically, the theme of the story should be consistent with the development pace of the enterprise and the country. A good story is characterized by its authenticity, accessibility, and infectiousness. When selecting a story, it is important to balance authenticity and accessibility. The best choice is to use stories about famous people that are closest to daily life. However, this can be difficult to achieve. So, in practice, it is important to strive for a balance of authenticity and accessibility to make the story more

effective. Many other key factors affect storytelling in the narrative. When telling a story, attention should be paid to different cultural backgrounds.

For thousands of years, in China and other Asian countries, people have been influenced by Confucius and use a high-context language, while Western culture uses a low-context language. This indicates that the language used in Eastern stories may be implicit. Generally, the main point that an Eastern story wants to convey to the audience should not be directly expressed but left for the audience to think about and savor. Western stories are just the opposite, where direct expression is more important in a Western cultural context.

4. Conclusion and prospects

4.1 Conclusion

Based on narrative theory, this paper compares the organizational cultural stories of two companies from China and the United States and finds several discoveries or insights into using storytelling for the construction and dissemination of organizational cultural stories.

Firstly, the two companies have different emphases on the themes of organizational cultural stories. China Shenhua's organizational cultural stories are mostly about employees and are results-oriented, while Peabody's organizational cultural story themes tend to be more about innovation and corporate social responsibility. The different emphases on themes of organizational cultural stories are mainly influenced by the national conditions and policies of the two countries. As a developing country, China has focused its attention on economic development in the past few decades, which has led to most Chinese companies putting economic output first and therefore emphasizing the completion of the company's production goals.

Secondly, in selecting story content, Shenhua tends to choose stories related to leaders or senior management, while Peabody more often promotes stories about its employees or ordinary workers. This difference is due to the different power distances between these two organizations. Generally speaking, the power distance in eastern countries is larger, and managers in the organization are considered reliable. Conversely, in western countries, the power distance is smaller, and individual ability and personal capacity are more valued. The choice of content is also influenced by cultural background.

Thirdly, in the organizational structure of stories, the narratives of both companies generally follow chronological order. Narrators can use flashback structures to highlight the focus or interesting parts of the story and leave a deep impression on the target audience.

4.2 Limitations and prospects

Due to time constraints, this paper only selected two top companies from one field to compare their organizational culture stories. If time allows, more organizational culture stories from companies in different countries and fields

should be selected to verify this framework.

In addition, due to limitations, the organizational culture stories of Chinese companies are all in Chinese. The stories used for comparative analysis in this paper are translations, which may lead to the loss of some language-specific information in the original text.

Finally, this paper only analyzed written stories. The dissemination and expression of stories are not limited to written stories. Oral expression is also an effective way of expression. Some companies even make stories into more effective videos. If possible, other methods of story dissemination should also be discussed.

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