Data-Driven Storytelling: The Missing Link in HR Data Analytics

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With the advent of what is called “big data,” HR management leaders are creating workforce or HR analytics departments and staffing them with data-savvy PhDs. These individuals know how to run robust statistical programs, delve into predictive analytics work, and present organizations with beautiful charts and graphs. Some are creating dashboards and administering employee surveys. Others are training generalists so that they can help leaders understand their human capital in the same way they evaluate financial or physical capital.

However, with all the activity, some significant gaps are becoming alarmingly visible. There is a good, bad, and ugly story growing out of the world of HR analytics, and, in fact, the phenomenon described in this article is not limited to HR. Since developing an intervention for the problem, I have been asked to work with senior leaders, accounting and financial professionals, and others who are skilled at the art of confusing others with numbers.

The good of the analytics story produces deep insights to help drive better decision making. The bad is coming from poor presentation of too much data. The ugly results when senior leaders’ first experiences with HR data and analytics leave them with a negative impression and lack of motivation to ever again seek out advice from HR. One of my favorite quotes to demonstrate the ugly is from a C-level executive who had experienced his first ever one-on-one data meeting with an HR data team. After reviewing the newly created dashboard data, he relayed his impression of it to me: “It’s really cute that HR has data now.” As someone who has been in the HR field for over 30 years, and who is a true believer in the power of data to drive decision making, that remark seemed like a crushing blow to all the good work that has been achieved in the area of HR analytics. All the good work goes down the drain quickly when a senior leader, with a loud corporate voice, has a bad experience. That is the ugly.

BEYOND DATA FOR THE SAKE OF DATA

The greatest data results (whether from HR, accounting, or marketing) will be useless unless they lead to dialogue that drives action. Compelling communication using data, or data-driven storytelling, is required to ensure that critical insights are conveyed to the principal decision makers in a way that maximizes the likelihood of taking action. Over the past six years, while developing and teaching a program on data-driven storytelling, I have learned that the biggest problem facing individuals attempting to improve decision making with data is the lack of understanding that data analysis must go beyond merely reviewing the data results. Instead, it’s important to know how to use the data to
tells a story that can create an emotional connection to the audience. Emotion is a necessary ingredient in driving results from data and analytics. Emotion is not evoked from data; it only arises from a story, and when data are weaved into a story, the result is not only data-driven storytelling but what I like to call power storytelling, because the story is powered with compelling data.

**STORY CHANGES THE BRAIN**

Storytelling is an art form that leaders use to inspire and drive action. Storytelling is powerful because it ignites emotion, and researchers who study the brain tell us that in order to drive action, we need emotion. In fact, this new neurological research led researchers to suggest that the only way to ensure that participants in a presentation or discussion remember the message well enough to take action is to create an emotional reaction. Some of the most data-driven people today are learning to tell stories. In the medical profession, doctors and researchers are going beyond their evidence-based methods of doing work and sitting in rooms learning how to shape a story so that their stakeholders (e.g., other doctors, nurses, administrators) will make changes that save lives. The reason the medical profession is on board in training doctors to tell stories is that they learned through experience that via the action of sitting in rooms and listening to presentations of numbers (even with graphs), the audience was not making behavioral changes that were needed to improve health care.

There is an excellent short video produced by Paul Zak at the Future of Storytelling, which can be accessed on YouTube. The clip is called “The Story of Ben.” Zak demonstrates how emotional reaction to the story about Ben, a boy who is dying, changes the brain. Those measured changes in the brain lead some subjects to donate more money to charities than others. By telling a story that had an emotional reaction in the person listening to the story, participants took action.

Now let’s think about the way most people in the HR profession present human-capital data. The norm seems to be long, detailed PowerPoint presentations. Reports are complete with bar charts and pie charts, lots of numbers, and data analysis. Statistical significance may be pointed out, and cross cuts of data are squished into tables. What happens when stakeholders see these data? David Rock provides some guidance in answering that question. In his book *Your Brain at Work,* he notes that looking at lots of data is like “hundreds of new actors jumping on the stage briefly and then running off.”

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This visualization tells a story. If this is really what it’s like when looking at lots of data, then it’s fair to say that there’s no guarantee who in the audience is watching what actor. In other words, when presenting lots of data, everyone in the audience is focusing on different data—all based on what piques their interest. This is how one loses attention and focus in any data-driven presentation. It’s one of the two reasons most data-focused presentations or reports do not drive action. How many times have you presented lots of data only to get a mix of grunts and perhaps interesting dialogue but, in the end, zero
action? These types of presentations of data lack story; thus, they lack the emotional reaction needed to ignite energy to do something about the message in the data.

**POINT OF VIEW NEEDED FOR STORY DEVELOPMENT**

As noted earlier, I have been teaching data-driven storytelling programs (from keynotes to half-day workshops to two-and-a-half-day executive-development sessions) for the past six years. For any custom work, I use data and presentations from the client organizations. We create case studies out of the data, and groups work to learn their own storytelling skills. In the end, I present a version that I created as an example of what’s possible. What was missing from almost all of the examples provided to me was one thing—a clear point of view. Said another way, the data presentations and summaries had no story. This was and is a huge stumbling block in driving dialogue, action, and results.

Although it may seem straightforward to talk about having a point of view in data, it is not. Many HR professionals insist that it is not, and should not, be their job to develop and then present a clear point of view. Their understanding, instead, is that it was their personal responsibility to only present the data “as is” and let the manager or executive team figure out what was in the data. Many class participants mentioned that they felt as though they were overstepping boundaries if they analyzed the data, found the story, and then presented the data in a way that told their story. There is clearly fear in some HR camps that presenting a point of view would be seen as an exercise in manipulation to make the data do what they want versus what the data “truly says.”

Data-driven storytelling has everything to do with the brain, but the first step may be focusing on the brain of the HR professional. HR can have a point of view and must have a point of view to do the job right. Being able to derive the story in the data is part of today’s HR professional’s job description. Through the use of stories of people who have successfully overcome this barrier to success, we can start motivating the profession to take the next step in using their HR analytics skills to drive dialogue, action, and results.

**WHAT IS A GOOD STORY?**

Stories that are effective follow what is known as the story arc. In simple terms, a story has a beginning, middle, and end. When analyzing HR data presentations, I often find that they have only a beginning and end—no middle. The middle focuses on building emotion, setting up the problem, and searching for the solution. The middle is about the quest. For example, a simple human-capital-data story, without a middle, may go something like this:

- Pay is low; if pay is increased, changes in turnover will result.
- Employee engagement is low; if the firm increases the score, employees will be more productive.

These story lines are too simple, and they do not evoke an emotional reaction. If anything, leader emotion is directed at finding...
the flaws in the logic. If you compare this to a children’s fairy tale, it’s like setting up a story that is all about a prince saving a princess—with no dragon, no challenge, and no excitement.

**Step 1: Find the Middle**

In the challenge, or finding the dragon, one finds the truth and emotion. Examining the two HR stories above, one can include a middle. When the middle is inserted, the stories morph into these types of alternatives:

- Pay is low; however, maybe the story is about pay distribution not pay overall. Is the firm paying for performance? Is the organization using money allocation in a way that motivates the people who are most critical or pivotal to improving performance? The path from pay to firm performance is not simple. In order to create an emotional reaction, the story needs to be about the middle, not just the beginning and end.

- Employee-engagement survey scores are low overall, but maybe some parts of the organization should have low engagement because their performance is abysmal. Consider analyzing the questions that make up various scales or indices in your survey data. Pull the questions apart, and sometimes a story emerges; you can find the middle, the challenge, or the opportunity. Ask yourself if every single question should be scored highly. Does your organization want low-performing employees to have high recognition, best friends at work, and more “stuff”? By digging in the middle, one can create a conversation that engages leaders and increases the probability of taking action.

Creating a good story involves the search for complexity, the middle, or the conditions under which the simple story may not suffice. Finding a story in data may take more time, but it does not need to be an adventure in data-analysis paralysis. Seeking the story involves creative thinking, and in many cases, working with someone else who can help you dig out the story.

Learning to tell stories with data takes time. We find that the skill set develops like any other. Practice and success lead to more experimentation and learning. Many participants who have gone through our two-and-a-half-day public data-coaching/data-driven storytelling programs stay connected after the class, and they have shared their own success and challenge stories. We have heard back from HR professionals who serve some of the most data-savvy leaders and professionals—engineers, Wall Street bankers, and scientists. They report back greater success in driving action by using their storytelling skills.

**Step 2: Learn How to Manage Emotion With HR Data Genre**

Igniting emotion in your story increases the likelihood that action will result, and action is needed to drive measurable business results. However, not every piece of data should result in action. Some data are simply there for updates. The range of action needs to be determined as well as the characteristics of the audience. The desired actions
may range from reading reports to spending resources [e.g., time, money] to make immediate changes. One way to plan a communication with desired action in mind is to consider adding the concept of HR genre to data presentations. Three possibilities include the documentary, the drama, and the horror story.

A documentary genre is about communicating the facts with less attention paid to affecting high emotions. There is a middle in documentaries also; however, there are fewer emotional peaks. **Documentary example:** Update executive team on compensation trends; nothing changed, and the company is doing well.

The second option is the drama, where a character’s story is identified and told. In the drama, we want an emotional reaction, and we obtain it by introducing the story of a person or situation. More or less drama and associated emotion are required based on the actions needed. Also, one can pursue both positive and negative emotions in a drama. **Drama example:** Organization is losing director-level executives. Showcase three to five individuals who were key to project success and tell the story about how those individuals left. Include information on bigger trends, but the story is first told through the lens of a person.

The third option mentioned above is the HR horror genre. In this case, one wants to quickly drive action through a high fear appeal. **Horror example:** HR VP wants the board to understand that if the budget is not approved for a new initiative to train managers, the firm is at risk of losing business. There’s not a lot of time for setup, and there’s no time to disagree. The communication must be crisp, scary, and with rising action.

**Step 3: Be Bold in How You Present**

Presentation style, content, and process are a function of the desired story genre and the nature of the story or the story arc. However, for whatever is chosen, bold statements are most likely to drive action. Knowing the material, being confident in the point of view, and creating succinct messaging are requirements for boldness. It all boils down to presenting limited amounts of data; use only the data that contribute to the story.

Being bold is a learned skill, and it does not happen overnight. One way to obtain this skill is to practice using pictures as a way to express your story. Rather than arguing over which charts to put first, second, and third, find one picture that represents your point of view. Use it as the first page or slide in your presentation. Pictures force one to focus in on the main story. In addition to using a picture, name the story.

**Example: Stacking Work Syndrome**

For one of our clients, we analyzed two years of survey data, performance data, and demographics. We found increasing turnover and lower performance scores in general. We had two options: (1) present the data and let the executives argue about why turnover is up and performance is down, or (2) merge all the information and make a bold statement about our point of view. We had done option 1 before, and no action resulted. After conducting interviews to supplement the data analysis, we walked into a presentation with the executive leadership team and boldly claimed that their organization had “Stacking Work Syndrome.” We created the term and put up only a picture of a person exhausted at work. We talked about what this syndrome looked
like, and we never showed a single number. The most effective dialogue our group had to date started after this introduction. As a result, the team asked me to leave the room (quite politely), and they spent the next hour working on their top priorities.

What happened in this meeting? We used a horror genre to show that their workforce was in trouble, and if something were not done quickly, they would run into even more problems. We were able to tap into the emotions of everyone on that team, most likely because they all felt a bit exhausted themselves. By emotionally connecting, they paid attention to the message. The data were in the appendix, but no one needed a math lesson. They believed the delivery team; we were bold and confident.

Step 4: Do What Great Storytellers Do—Record Your Victories and Share Your Stories

The key to great versus mediocre storytelling and to having stories help build confidence in the HR team is a simple task. Save and share stories. There are several pieces of work that I have done over the years with clients, coaching and helping HR teams create great stories. I know that these data-driven stories led to tremendously positive results in many cases. Examples include faster success rates with mergers, radically making alterations in change-management programs so that they were much more effective, increased stock price in newly public firms, and creating new business opportunities where they had not existed before. Unfortunately, due to turnover at the firms and lack of writing down or documenting their stories, I am the only one who seems to know about the work. Each new batch of employees is reinventing the wheel and working from a place of no confidence because the stories of success are missing. Great storytellers repeat their stories over and over. Unfortunately, stories that are told tend to be about things that went wrong versus what went right; find a way to keep, share, and tell the inspiring work that you do.

FORMULA FOR SUCCESS

If you search the term data-driven storytelling, you will find a lot of information about visualization tools. New software and ideas for presenting fancier and more entertaining bar charts and pie charts abound. However, better graphics do not equal storytelling. You have to find the story first, plot the beginning, middle, and end, and finally create a compelling and emotionally inspiring tale if you want to drive action and results. The model I continue to use and teach with has four words: data, dialogue, action, and results. The data must be used to drive dialogue, and then both data and dialogue, together, have the potential to create the type of emotion that leads to retention of the message, action, and ultimately results.

HR is getting new data—big, small, and medium-size data—but if we do not learn how to use that data to drive action, then the data we have will be used to compile reports, which someone will someday find out are not really worth the money or investment being made in the new systems. Data-driven storytellers can change the future of not just HR but of organizations overall. There are lots of good stories within the confines of the buildings; people are interesting, and they are complex. Storytelling can help improve the business for everyone, in particular, the people who are the actors in your firm’s novel.
NOTES

2. http://www.youtube.com/watch?v=q1a7tiA1Qzo

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