

**Listening Skills**

# **Are You Really Listening?**

by Adam Bryant and Kevin Sharer

From the Magazine (March–April 2021)



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**Summary.** Senior leaders, particularly CEOs, confront a central paradox in their work: They generally have access to more lines of communication than anybody else, but the information that flows to them is suspect and compromised. Warning signals are tamped down. Key... [more](#)

**In 1992 one of us** (Kevin) joined Amgen, the world's largest biotechnology company, as its president and chief operating officer. Up until then, all Kevin's key professional influences—in the U.S. Navy, where he began his career, and then at General Electric and MCI—had exemplified certain core principles of leadership. His colleagues were confident, employed a command-

and-control style of leadership, and made their expectations clear. Kevin adopted that style, which came naturally to him and allowed him to rise rapidly on the career ladder. He recalls, “My approach was: ‘I’m the smartest guy in the room. Just let me prove that here, in the first five minutes.’ I would even interrupt people and tell them what they were going to tell me, to save us time so that we could get to the really important stuff, which was me telling them what to do. And I got away with it. It worked.”



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Until it didn't.

In 2000 Kevin became Amgen's CEO. In that role he assembled a new leadership team and set the company on a trajectory of rising revenue and profits. Magazine cover stories and other recognition followed, pushing him into what, in hindsight, he calls the “ego danger zone.” He was less engaged and became intellectually lazy. The talk in the company, a trusted lieutenant later informed him, was that people should avoid meeting with the boss after 3 PM, because his attention waned as the day wore on.

Then a crisis hit. Seven years into his tenure as CEO, a red-blood-cell stimulant called Epogen, which accounted for a third of Amgen's profits and was believed to be nearly free of side effects, was flagged in studies suggesting that at higher doses it caused a slightly greater risk of heart problems for patients. The FDA ordered changes in how it was prescribed, which sharply lowered sales. As profits fell, Kevin had to order the first mass layoff in the company's history, cutting 14% of its staff.

At first he angrily blamed others for the debacle. “I was completely in denial,” he recalls. “I had become impatient and arrogant, and I assumed people were going to fix the problem.” But one evening Kevin found himself sitting alone in a restaurant

in Santa Monica, waiting for his daughter and her husband to join him for dinner. That rare moment of quiet provided time for reflection and led to an epiphany. He had mishandled the Epogen crisis, he realized, in large part because he was a horrible listener.

Kevin resolved to do better from that day on. Instead of thinking of eight things at once when he was meeting with somebody, he would be present. Instead of approaching every conversation as a transactional exchange and cutting people off and telling them what to do, he would ask for context and suggestions. He also committed to establishing a regular cadence of surveys, conversations, and feedback mechanisms designed to open lines of communication inside and outside the company so that he could better pick up on early signs of danger and glimmers of opportunity.

For leaders, Kevin realized, the art of listening has two key components. One involves listening without distraction or judgment, purely for comprehension. The other involves creating systems and processes that not only make listening active but also elevate it on all fronts to a state of hypervigilance. “It’s not just about listening to the person across the table from you,” he says. “It’s being alert to the whole ecosystem in which you operate. Signals come to you with varying intensity from varying sources—in a comment from an FDA regulator, during conversations with the board, in stories in the press, in anecdotes that you pick up inside the company. The question is: Can you listen to it all and separate the signal from the noise?”

### **Trapped in a Bubble**

You won’t find a course on listening at many business schools, but it’s an essential skill for leaders if they hope to counteract the multiple forces that can lull them into believing they know everything they need to know about what’s happening in their organizations. At the core of the challenge is a paradox in the life of senior leaders, particularly CEOs: They generally have access to more lines of communication than anybody else has, but the information that flows to them is suspect and compromised.

Warning signals are tamped down. Key facts are omitted. Data sets are given a positive spin. As leaders come to see this, they can find themselves staring at the ceiling in the middle of the night, wondering, “How can I find out what I need to know?”

We’ve devoted a lot of time to thinking about that question. Adam has conducted in-depth interviews with more than 600 CEOs and other leaders, during which he pressed them to share the most important lessons they’ve learned about how to do their job well. Kevin has a deep well of personal experience to draw on, not only as a senior executive and a CEO but also as a professor of strategy and management at Harvard Business School and a director on several corporate boards.

## **Executives often trap themselves in information bubbles, a result of their overconfidence and outdated ideas about leadership.**

We’ve learned that listening involves far more effort than most leaders realize. Dozens of problems emerge inside organizations, some of them with the potential to cripple an enterprise if left unchecked. And although listening skills are key to heading off potential crises, they are equally important for ensuring that good ideas can surface from anywhere. “You don’t know where the best ideas are going to come from in the organization,” says Tim Brown, the executive chair of the design firm IDEO and formerly its CEO for 19 years. “So you’d better do a good job of promoting them when they come and spotting them when they emerge, and not let people’s positions dictate how influential their ideas are.”

And yet executives often trap themselves in information bubbles, a result of their overconfidence and outdated ideas about leadership. They believe, as Kevin did early in his career, that they’re a step ahead of everyone else. Some CEOs tell themselves that the members of their leadership team are paid handsomely to

do their jobs, which includes handling problems so that their boss doesn't have to. In *Lights Out: Pride, Delusion, and the Fall of General Electric*, Thomas Gryta and Ted Mann describe how GE's former CEO, Jeff Immelt, would respond to subordinates who raised doubts about his ambitious growth targets. "You don't want it bad enough," he'd say. That led to the phenomenon of "success theater," in which employees would frame results in ways that avoided tough conversations about problems and just suggested that everything was progressing well.

Nell Minow, a former principal of the activist-shareholder fund Lens, observed this phenomenon regularly during the 1990s, when her firm took positions in roughly two dozen companies, including Sears, Reader's Digest, and Waste Management. "The single defining characteristic of every underperforming company we went after," she recalls, "was that the CEO had walled himself off from any kind of skepticism. All those companies had CEOs who took an enormous number of steps to make sure that no one would ever question them or second-guess them."

In other words, they existed in a bubble that prevented them from listening well.

## **Seven Useful Steps**

So how can leaders break out of that bubble? Here is some pragmatic CEO wisdom for learning to listen more effectively:

**Protect against blind spots.** Kelly Grier, the U.S. chair and managing partner and Americas managing partner at Ernst & Young, has long made a habit of telling the people on her team that they need to keep her informed. As she puts it, "If you haven't created a culture or an environment where people feel free to challenge you as the leader, you are in a very perilous place, because you will have blind spots." Grier delivers this message consistently, not only to her direct reports but also to her board of directors. "You have a responsibility to help me actively work the blind spot," she tells them. "You've got to bring the truth forward. We have to have that level of trust."

**De-emphasize hierarchy.** When Mark Templeton was the president and CEO of Citrix, from 2001 to 2015, he adopted a mantra to ensure that his employees wouldn't be intimidated by titles or rank. "A lot of organizations go off track by confusing where people are in the hierarchy with the respect they deserve," he says. "Hierarchy is a necessary evil of managing complexity, but it in no way should have anything to do with the respect that you give an individual. I said that over and over at Citrix and found that it allowed everybody in the company, no matter what their title, to feel comfortable sending me an email or coming up to me at any time to point something out."

**Give permission to share bad news.** When Penny Pritzker, who served as the U.S. secretary of commerce from 2013 to 2017, first met with job candidates, she would have a blunt conversation about the dangers of not sharing problems with her. "I would tell them," she says, "that if you want to get fired, here's what you need to do: First, lie, cheat, or steal. But the other thing that will get you fired is if you have a problem and you keep it to yourself. Oftentimes people just don't give you the full picture, because they don't want to tell you the things you don't want to hear. That's very worrisome to me. You need to give them permission to give you bad news."

**Create an early-warning system.** As the CEO of Aira Technologies, Anand Chandrasekher asks his team to follow a simple rule: If you have bad news, text me; if you have good news, share it with me in person. "It's a human tendency to want to share only good news," he says. "If you can get a team and an organization not to be afraid of bad news, either receiving it or delivering it, then you can build an early warning system. If you get bad news early, you can react faster, and that reaction time is precious."

**To encourage problem-solving, acknowledge progress.** When Paul Kenward, a managing director of British Sugar, meets with groups of employees, he will sometimes ask them about the things they've accomplished during the previous five years that

they're really proud of. "They will tell me," he says, "and then I say, 'Now imagine we're together five years from now. What are we proud of now? What would you really love to have achieved or the business to have changed?'" Those questions, Kenward says, make it easier for people to talk positively about a problem they're seeing today. "It's a simple approach, but it's clever: Ask people first about what they're proud to have achieved. If you don't reflect on the fact that we are able to change things, people give up before they've started. And actually, most organizations have changed quite a lot of things. You just have to help people realize that."

**Listen without judgment or an agenda.** Joel Peterson, the former chairman of JetBlue Airways and the founder of Peterson Partners, an investment firm, says that senior executives may find it challenging to remain fully present in meetings when they have 10 things on their minds at any given moment. But it's a necessary discipline if they are to draw people out, he argues, and it requires that you listen to achieve understanding and withhold judgment. "You can't have an agenda," Peterson says. "When you have your own agenda while you're listening to someone, what you're doing is formulating your response rather than processing what the other person is saying. You have to really be at one with yourself. If you have these driving needs to show off or to be heard or whatever, then that kind of overwhelms the process." Leaders can help themselves avoid that danger by reminding themselves of a simple acronym whenever they're listening: WAIT, for "Why Am I Talking?"

**Actively seek input.** It's not enough just to emphasize that people should speak up. You also have to invest time and energy in walking the halls, traveling to manufacturing plants and stores, holding regular town halls, and meeting with smaller groups from various departments and ranks. (Until the pandemic ends, much outreach will have to be done virtually, of course.) That can be time-consuming, but it's a core part of your job as a leader. If you get stuck in an ivory-tower mindset, the gap between your perceptions and the reality of what's happening inside your

company will grow—which can slow momentum and send top talent heading for the exits.

Meetings and Q&A sessions with broad groups of employees are useful for reminding people of your strategy and for clearing up any misconceptions. But leaders can also use those sessions to pick up on signals about emerging problems and opportunities and then deploy effective lines of questioning to encourage employees to share whatever's on their minds.

## **A Listening Ecosystem**

One key to becoming a better listener as a leader is to create a “listening ecosystem” for yourself. That’s what Kevin did during his later years at Amgen. He would get a quarterly report from his team on relevant news from competitors, so that he could learn from the challenges they were facing; then he would ask questions about how Amgen was positioned to address those challenges. He broadened his network of sources inside the company and included the head of Amgen’s relations with its chief regulator, the FDA. For meetings with that person he developed a structured set of questions: “Are we meeting our commitments?” “Is there anybody at the FDA who has a bad opinion of us?” “What’s the next key FDA event?” “Is there anything else you want to tell me?” Kevin had regular meetings with the vice president in charge of compliance, to ensure that Amgen’s sales force talked with doctors only about the clinical effects of Amgen’s drugs, not about what they could mean for the doctors’ bottom lines. He developed relationships with factory managers and visited them often. He went on rides with his sales reps, asking them between sales calls about any concerns they might have.





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In all his listening work, Kevin made sure to focus on signals of opportunity as well as danger. For example, after Amgen had emerged from the Epogen crisis and was delivering solid growth again, its stock was not moving, in part because the biopharmaceutical industry was out of favor. Amgen's leaders and its big shareholders believed that the stock was seriously undervalued.

During a long conversation, one of the largest investors asked Kevin why so many companies in the industry carried so little debt. It would have been easy for Kevin to dismiss that question, because the conventional wisdom was that companies needed a fortress balance sheet to weather storms created by patent

expirations or crises like the one Amgen had just lived through. But instead Kevin listened—and what he heard prompted him to make some back-of-the-envelope calculations later about what it would cost to borrow money and use it to buy back a significant share of the company’s stock. Interest rates were low, and he worked out that the company would still have plenty of rainy-day funds. “The signal was unexpected,” he says, “and it took my being open to it and willing to take a bit of a risk to act.”

But act he did. He had Amgen buy back much of the company at \$60 a share, and since then the stock has risen more than fourfold. Stock buybacks are no panacea, of course; they often do little more than drain cash reserves to achieve short-lived stock bumps. But in this case the buyback proved to be the right move at the right time. Many other drug companies ended up following Amgen’s lead.

Kevin took other steps to build his listening ecosystem. He asked Brian McNamee, then his chief human resources officer, to regularly survey the leadership team about what they thought of his performance. The questions he wanted raised included “What am I doing that you want me to keep doing?” “What are the things that I should either stop doing or significantly modify?” “What are the things that I should start doing or do a lot more of?” and “Is there anything else you want to tell me?” To encourage candor, McNamee would take all the answers and synthesize them into a report for Kevin, who in turn would pass it along to the board for discussion on its own. (Kevin’s CEO friends thought he was crazy to do this.)

Additionally, the annual survey of all Amgen employees included the question “What do you think of the job that Kevin is doing?” That brought in hundreds of responses, which Kevin would read at night, often with an adult beverage nearby to help him accept the sometimes blunt feedback. Many employees found him to be a remote leader, he learned, so he began spending more time outside his office, chatting with colleagues in the hallways and the cafeteria and holding more town hall meetings. “Creating

listening systems is not just about passively accepting what comes your way,” he says. “You have to create structures so that people know you want to hear what they have to say.”

**Listening is a multidimensional practice. Leaders must listen attentively and systematically to gradually develop a nuanced sense of the nature of their organization.**

That means proving to people that you’re listening to them—and Kevin resolved to do that. After an important meeting or discussion with Amgen’s board, for example, he would often write up a summary of what had been discussed, acknowledge the board’s input, and lay out the steps he planned to take next. He would send this document to all the directors as proof that he had listened, that he respected and understood what they had said, and that he had a clear plan of action in response. Kevin found the practice helpful in his relationship with the board. “They can then never claim you did not hear them,” he says. “You also get to define the reality of what happened and are clear on next steps, giving them a chance to disagree or clarify their input.”

Kevin also changed the way he listened, trying to be much more present and attuned to body language than he had been before the Epogen crisis. “I slowed down,” he says. “I made time to listen.” As part of that effort, he designed his office to look like a living room, and in one-on-one meetings he would always sit in a chair away from his desk. “I wanted to create an environment where my direct reports trusted that they could tell me bad news without getting punished,” he says. “You have to treat your direct reports as partners, not as subordinates. Partners can talk about tough issues together and come up with a collaborative best

response. I had periodic conversations with them when I just asked, ‘What’s going on?’ I wouldn’t be rushed. I’d take the approach of a counselor and coach, not a judge.”

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Listening is a multidimensional practice. It requires commitment and constant attention, and leaders cannot survive or thrive in their work until they learn that fundamental lesson. But even when they do listen, they need to remember that they can’t take the signals they pick up on—good or bad—at face value. Instead they must listen so attentively and systematically that they gradually develop a richly nuanced sense of the nature of their organization, its complex dynamics, and what it feels like to work there.

As Kevin puts it, “If you just walk around and see a bunch of smiling faces and say, ‘Gee, everybody looks happy to me,’ you’re not listening.”

*Editor’s note: This article is an adaptation of a chapter from the new book by Adam Bryant and Kevin Sharer, *The CEO Test: Master the Challenges That Make or Break All Leaders* (Harvard Business Review Press, 2021).*

A version of this article appeared in the March–April 2021 issue of *Harvard Business Review*.

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