

## SENDERS, SIGNALS, SUBTEXTS: LEADING THROUGH LISTENING

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### Abstract

Communication studies tell us that a mere 7 percent of communication is verbal; the other 93 percent are something else, ranging from body language to mimics, from context to subtext. What remains under-researched is the aspect of listening, one of the best-kept secrets of high performers and effective leaders. This article, based on the forthcoming book *Macht Durch Sprache (Power Through Language)*, Springer 2015), explores the power and impact of listening in communication. Listening is not merely like a light switch to turn on or off, but a rich repertoire of skills essential to effective leadership and management. Listening makes the difference between mediocre and great companies in a host of business areas including competitive intelligence and strategy, innovation and product development, marketing and sales, not to speak of process efficiency. Institutionalizing listening may well be one of the highest-leverage investments CEOs can make in the productivity of their organizations.

**Keywords:** *Listening, Leadership, Management, Filter*

*Knowledge speaks, but wisdom listens.*  
Jimi Hendrix

“You’re going to listen to me if you want this turned off.” The AOL customer service representative spoke like a jailer playing with his keychain; the customer, Vincent Ferrari, felt like an inmate. All he wanted was to cancel his AOL account. It took him 21 minutes, including wait time in the automatic loop before he could even talk to anyone. Definitely too slow, especially when one is called Ferrari.

Ironically, the AOL employee, John (that is what AOL called him to protect his identity) got his wish – to make his voice heard – in a way he would not have dreamed. Mr. Ferrari taped his interaction with John and posted it on his blog; it became an Internet sensation. Listening to the recording, one feels like in consumer hell. John refuses again and again to cancel Ferrari’s account, although Ferrari asks him over and over and finally pleads with him.

“By my count, he used the word ‘cancel’ 21 times,” said Nicholas J. Graham, a vice president and AOL spokesman. “That’s not counting the I-don’t-need-it’s, I-don’t-want-it’s, I-don’t-use-it’s. Add the other inferences, it’s probably closer to 30.”<sup>1</sup>

An investigation revealed that Ferrari was not alone: A cancellation call took 10 to 11 minutes on average. Hence the 3 million members AOL lost in the 12 months through March 2006 spent at least 250 work-years on the phone with AOL.

Graham later said John had been released since then, and sent Ferrari a letter of apology. But AOL made it a bit too easy for itself. John was not the only one to blame. Yes, he behaved like a clumsy actor, but the text he had to follow came quite clearly from the company that apparently confused customer service with sales. The employees working on cancellation requests did not belong to a cancellation unit but to the company’s “retention queue.” They were called “retention consultants” and their bonuses depended not on the speed with which they helped customers leave AOL, but on the number of customers recovered.

In the recording you can hear how Ferrari tried to move John away from his rigid scripts: “When I say, ‘Cancel the account,’ I don’t mean, ‘Figure out how to help me keep it.’ I mean, ‘Cancel the account.’”

For AOL this conversation was a branding fiasco. Ferrari’s five-minute recording brought ten months of careful public relations to naught. Not to mention the inevitably following massive customer exodus that was to bring AOL to the brink of ruin.

Actually AOL had realized for some time that all was not well with its customer relations. The problem was not that the company was failing

to win new customers. Quite the contrary: during the March 1996 quarter, 905,000 new “members” had signed on – a record. AOL had passed the astonishing milestone of five million customers, and its 1996 goal was the magic 10 million mark. But something was wrong. AOL executives called it the “churn” factor: more and more customers were dropping out, and the number of dropouts – an average of six percent a month – rapidly approached the number of the new ones. The legendary growth in AOL members was coming to a screeching halt. And all the marketing and advertising gimmicks, all the free disks that AOL sent to millions of households, all the features the firm added to its service, all the long internal strategy meetings – nothing helped.

Finally, Steve Case had an idea. In all the marketing and strategizing activity, the company had not really listened to its customers. Case appointed Audrey Weil as head of member experience. Weil traveled to AOL’s Jacksonville call center in the summer of 1996 to listen, and see what its members wanted and why they were dropping out.

Here is what she found. Many AOL members were frustrated by the ticking clock. They felt duped, since the company stubbornly refused to change from expensive per-hour rates to what had become the ISP industry standard – unlimited online time for \$19.95 a month. When, on top of that, members were unable to get online because AOL’s capacity was stretched beyond its limits, they got angry. Many of them simply left in frustration<sup>2</sup>. This customer mutiny happened because AOL was not listening.

Unfortunately AOL was not alone in milking its customers. All too often, customer service in any business is required to sell to practically every customer, and employees are trained, for example, to change the subject of a customer inquiry about the last bill to a sales pitch. „Imagine if you’re calling because you are getting harassing calls and you want a new phone number,” said Linda Kramer who works in customer service at another company and belongs to the union Communication Workers of America. „The service rep is required to look at your account and see what services you have, and then try to sell you something. And not just

one item, that’s not good enough. I’m required to offer you voicemail, three-way calling if you don’t have it. I’m required to give my best and sparkle and shine, and put you at ease so you say, Oh, all right, I’ll take it for a month, just because you sound so nice.”<sup>3</sup>

There are also companies that make it easier for customers. A good counterexample is the movie rental and production company Netflix. If you ever want to cancel your account there, there is a link on the Netflix site that allows the cancellation in three clicks. The whole process takes seconds. It is the opposite of the consumer hell that is AOL. With such freedom to move, one wants to stay. Perhaps one of the reasons why AOL lost approximately 20 million subscribers from 2002 to 2009 in the US alone while Netflix expanded exponentially.

Listening is one of the best-kept secrets of effective leadership. By sending Weil to listen to AOL customers, Case showed that he understood the fundamental link between listening and leadership: when we speak, we learn very little, because we merely say what we know already. When we listen, we may learn something new, while bestowing on others the gift of our attention. Former US Secretary of State Henry Kissinger illustrates this connection between listening and learning. Gore Vidal writes about meeting him in Rome:

Although Kissinger and I were careful to keep some distance apart, I could hear the ceaseless rumbling voice in every corner of the chapel. The German accent is more pronounced in Europe than on television at home. He has a brother who came to America when he did. Recently, the brother was asked why he had no German accent but Henry did. “Because,” said the brother, “Henry never listens.”<sup>4</sup>

According to the German philosopher Hans-Georg Gadamer, the ability to listen belongs „in-between” a conversation, between the dialogue partners—and this listening differs from Martin Heidegger’s hearkening to that which by virtue of language is to be brought into speech<sup>5</sup>. Gadamer’s hearing is rather paying attention to what the other brings into the conversation – a Socratic hearing where language

grows out of the relationship and at the same time acts on the relationship. The meaning exists not in the saying and not in the interlocutor; rather, the meaning emerges in the interaction. Listening is essential to meaning.

Already Plato understood the connection between listening and learning: students at his school in ancient Athens were forbidden to talk during their entire first year of study. And the listening-learning linkage is far from trivial for business. Imagine a company with seven reporting levels. If the people at every level report 50 percent of what they know up to the next higher level – and fifty percent is a rather optimistic number – the leader at the top will know less than two percent of what is actually going on in the organization and the market. If control resides solely at the top, the consequences of being that out of touch can be disastrous for decision-making. Imagine what happens if the leader happens to base his or her decisions on the 98-plus percent of wrong information. In today's complex and fast-changing organizations, chief executives depend on vital strategic information from others, both within the organization and outside it. Listening is a crucial vehicle for getting that strategic intelligence.

Yet listening is an undervalued commodity. One chief executive, reminded of the importance of two-way communication, snapped: "*Of course* I use two-way communication! I communicate to my people both verbally and in writing!"

Unfortunately, this executive is not alone. Nobody seems to listen anymore. Instead, talk abounds in our society. Day and night, we are inundated with advertising, e-mail broadcasts, WhatsApp messages, tweets and posts that urge us to buy this or try that. It seems as if everyone something to say, including earth-shattering news as "Eating sushi just now" or "OMG, Friday again!!!" It seems that everyone has something to say. Oftentimes, when people tell others to "listen," what they really mean is "shut up" so they can talk. Especially in Western cultures, the important people talk, while those who have nothing to say listen. Listening is so invisible that it goes virtually unrecognized. Listening makes no noise, is intangible, and leaves little evidence, while talk is loud, gets attention, and can be recorded.

Although listening is a fundamental skill, we are not taught how to do it. There are very few how-to books and virtually no schools on listening skills. There are debating clubs and championships for orators, but no showcases or awards for excellent listeners. Even the lawmakers of a country are members of Parliament, not of an „Ecoutement.“

Most people have a mechanistic, black-and-white understanding of listening. At best they treat listening like a light switch to turn on and off, and fail to see the rich body of distinctions listening consists of. But much like painting or strategy, listening is a complex art – one that takes sustained effort to develop, but yields surprising results to those who dare to make it a life-long quest.

Listening produces real effects. You can make or break people by the way you listen to them. When Oprah Winfrey listens to guests on her show, she – or more precisely, her empathy – turns ordinary people into fascinating human beings. Winfrey says that her emotional connection to her guests is a way of relating to people that grew when she was a television news reporter. She explains, "You're at a plane crash and you're smelling the charred bodies, and people are coming to find out if their relatives are in the crash and they're weeping, and you weep too because it's a tragic thing."<sup>6</sup> The same empathetic listening that made Winfrey cry while reporting the news made her an instant success as a talk-show host and one of the wealthiest and most powerful media leaders.

Just as listening to others can embolden and enable them, not listening can damage a person's spirit and effectiveness. I have seen people's initiative crushed, performance break down, or mergers go awry – all because of poor communication and listening skills. In a survey of 22,000 shift workers in various U.S. industries, 70 percent stated that they had little communication with plant and company management, and 59 percent said that their companies did not care about them – another way of saying that nobody hears them<sup>7</sup>.

Not everyone is deaf to the importance of listening. There are businesses that recognize listening is essential to effective management

- "A good boss knows how to listen," in the words of Kurt Abrahamson, group president at Jupiter Media Matrix<sup>8</sup>. After IBM-Canada's stock fell and the company had to lay off 5,000 of its 13,000 workers in the mid-1990s, management realized that IBM, much like AOL, had to listen to its customers. The company made customer relationships a top priority. The result: IBM-Canada accomplished a major turnaround. By 1998, its workforce was back to over 13,000 people<sup>9</sup>. Abbott Laboratories' sales techniques turned off customers until the company implemented a program to mend customer relationships and improve employees' listening skills through targeted training. As a result, 200 problem accounts improved between 1995 and 1997, resulting in \$9 million in additional sales<sup>10</sup>.

Another business that recognizes the value of listening is HPM, an American die-casting company. Chief Executive Neil Kadisha explains his policy of listening to his employees:

No one has a thing to fear about coming to me and lodging a complaint or making a suggestion. In all of my companies, janitors to the highest level of management can come to me. ... We manage by respect, not by fear. We respect our employees' opinions and suggestions. They have the right to get upset and angry, and they have the right to be heard<sup>11</sup>.

These companies are serious about the need to listen. They incorporated listening into their business practices, often with significant improvements in performance and efficiency.

Even the German government under then-Chancellor Gerhard Schröder experimented with listening to build credibility in the population. In the summer of 2003, a bus from Berlin drove through the country, branded „The Eagle Eye, Ideas for Germany 2010.“ Citizens were invited to board the bus and express their views and visions. Visitors articulated personal visions like these: „I hope that there is more work and more money.“ „Peace for the world.“ „Me too! I want more peace for the world.“ „More discos.“ „My retirement, I want my pension to remain safe.“<sup>12</sup>

The idea was that German citizens should tell the chancellor what they wanted. But the skepticism of many Germans vis-à-vis the

well-intentioned listening initiative was understandable. There are limits if you want to set up listening as a large-scale program—especially if the currents of reality end up flooding all the beautiful visions and everything remains the same. The exercise with the listen-only bus surely meant well, but without follow-up action the initiative only deepened the existing resignation in the population. And once resignation rules, then launching a vision is virtually impossible. In this case, the former German Chancellor Helmut Schmidt was right when he quipped that those who need a vision should visit an eye doctor.

How is it possible that a person's performance and effectiveness could improve simply as a result of how you listen to that person? That question is best answered by another: Can you recall a time when you felt completely heard and understood by another human being? Most of us have had that experience. We probably all remember rare moments when, regardless of what we said, our words were brilliant because they meant something to someone. In *The Lost Art of Listening*, Michael P. Nichols explains why we crave those moments: "Few motives in human experience are as powerful as the yearning to be understood. ... Being listened to means that we are taken seriously, that our ideas and feelings are known and, ultimately, that what we have to say matters."<sup>13</sup> When your team members are taken seriously, they perform just as seriously. When someone treats you as though your words matter, you act as though your performance matters.

## A QUICK EXCURSION INTO THEORY

When I originally wrote *Communicate or Die* twelve years ago, I had little knowledge of communication theories. After all, my specialty seemed far from psychology—my training was as a political economist. But since then, neuroscientists and behavioral economists have shown that the fields of economics and psychology are much more intertwined than previously thought. And in my own life I had witnessed—beginning with my childhood, then in my international work as a manager, entrepreneur and finally consultant and

coach—countless examples of successful and unsuccessful communication, committed countless errors myself and (hopefully) learned from them, and distilled from this empirical practice models and principles conducive to effective communication.

One could easily leave it at that. But it can be useful to keep the theoretical foundations in mind, just like with fine wine: I can either simply drink the wine, you can just as well enjoy a wine without special knowledge; but then you leave it to chance whether you caught a great wine or an awful one. Or you can take the time to acquire some fundamental distinctions. It is my belief that by understanding the foundations, you can become a co-creator of communication, and therefore (of course with a lot of practice, the author Malcolm Gladwell speaks of 10,000 hours you must practice something, from a violin to computer programming, to gain mastery) a competent communicator. Therefore, we shall now take a short excursion into theory and methodology. The emphasis is on „short“: we will consider only a few key theories that benefitted me and my clients, and make no comprehensive claim. The axiom my former Ph.D. advisor Adam Przeworski was fond of saying is still valid: Theories are not to be believed—theories are to be used.

Let us begin with the physiological level: hearing. For example, when you listen to music, sound waves—a mix of frequency, amplitude and phase—enter your hearing, and your brain distinguishes sound patterns. But this does not yet make for a musical experience, let alone comprehension. To hear music, you need the transformation of the pattern material into an interpretation, including melody, harmony, and rhythm that ensure an emotional-cognitive experience<sup>14</sup>.

That, though, does not yet constitute communication, which requires two active parties. The simplest communication theory is the so-called information theory, based on common communication vehicles (telephone, press, television) and now the foundational model of communication. A sender/receiver and a receiver/sender alternate in exchanging messages. The sender encodes (encrypts) a

message and sends it via a channel, and the receiver decodes (decrypts) it.

And here the problems arise. Albert Mehrabian, now professor emeritus at the University of California Los Angeles, found in a rare quantitative study of communication that the content makes up a mere seven percent of communication. The other 93 percent consists of body language, facial expressions or tone of voice, from which the recipient hears—or does not—the meaning of the message.

Hence communication theorists such as Kurt Lewin and Paul Watzlawick distinguish a content level (what the communication is about) from the relationship level (who we are for each other)<sup>15</sup>. And here the context in which the communication happens plays a decisive role for the meaning of the message. At the age of sixteen, I was on a trip through Brazil with a friend, and our VW broke down on a deserted jungle road from Rio to Belo Horizonte: the battery turned out to be empty. Fortunately another driver, a Brazilian, soon stopped and helped us to start our car. I jumped into the passenger seat of the car as it rolled forward. When the engine started again, I turned to our savior, who stood in the dust of the road wiping sweat from his forehead, and gave him the usual sign of „OK“ among divers, my thumb and forefinger forming a circle. To my surprise the Brazilian suddenly turned furious and ran after our VW, cursing. My friend Cesar laughed and said: You know what you just just said? In Brazil this sign means ‚F--- you!‘“ The same gesture, the same word can have completely different meanings if used in different contexts. Context determines meaning.

Already schoolchildren experience it when playing the phone game in a circle: Each strives to understand a whispered message from the neighbor to the left and whisper it on to the neighbor on the right. But so-called interference distorts the message. Such noise sources are not only technical errors such as noise or voice distortion, but also personal misunderstandings during transmission—Lost in Translation, as the popular movie title by Sofia Coppola put it. That is probably why George Bernard Shaw said the biggest problem with communication is the illusion that we have accomplished it.

What is worse, the sender of a message has precious little control over what the receiver hears. In a 1956 experiment, a newspaper combined a front-page story about a major political event with a tiny message about a small dog called Trixi whose barking had saved a toddler from asphyxiation. Sixty percent of readers later recalled the news item about Trixi; 22 percent recalled the main event<sup>16</sup>. Apparently the brains of 60 percent of readers were stimulated much more strongly by the emotionally tangible message – puppy, child, mortal danger – than by the main news event.

What is going on here? I call such interferences „filters.“ I started a TED talk a few years ago with a puzzle that makes sense only verbal sense. I can only disclose that it is about sheep. Maybe you are interested in watching the 8-minute video (entitled Leading Through Language)<sup>17</sup>.

In life, and not least in business, filters play a powerful role in communication. If a colleague says, „Mr. X is a micromanager“ or „Manager Y does not care if errors are corrected,“ filters are at work. Such stereotypes serve as shortcuts for the brain: They save cognitive resources and allow faster judgments. They originally served the survival of humans. In prehistoric times it was a matter of life or death whether we could quickly distinguish friend from foe, so we had to assess the character and intentions of other people and tribes with lightning speed. For this filters were, and are, well suited – but they can be just as well be wrong, unfair or harmful<sup>18</sup>.

We all have filters on our fellow human beings, and we cannot turn them off. When I say, for example, Bill Clinton, then with most listeners an automatic filter arises: Monica Lewinsky. When I say „woman“ or „man“ or „American“ or „Muslim“ or „Swiss,“ filters inevitably become active. For better or for worse, we cannot fully rid ourselves of our filters. But if we become aware of them, they cease to be „reality,“ we stop confusing the facts from our fiction, and we can free ourselves from the prisons of our imagination.

This short excursion into theory of course cannot do justice to the complexity of listening.

But the bottom line is evident: Listening is one of the smartest investments available. It's free (well, almost – I guess there are some opportunity costs), and if you listen well, you generate valuable intellectual property. Listen to fresh views, and you get new ideas and innovation. Listen to frontline people in touch with customers, and you get market analysis. Listen carefully, and you reveal what is missing for success. You may uncover blind spots you didn't know existed before.

The Chinese character for *listening* also means *eyes, ears, you, undivided attention, and love*. The practice of listening consistent with these rich meanings may well be one of the most important leverage points in shaping the future. To say it bluntly: Shut up and listen for a change. Amazing things might happen.

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