MGEN’s Chairman of the Board Kevin Sharer recalled his moment of epiphany. “The best advice I ever heard about listening — advice that significantly changed my own approach — came from [then IBM CEO] Sam Palmisano, when he was talking to our leadership team. Someone asked him why his experience working in Japan was so important to his leadership development, and he said, ‘Because I learned to listen by having only one objective: comprehension. I was only trying to understand what the person was trying to convey to me. I wasn’t listening to critique. I wasn’t listening to object. I wasn’t listening to convince. I was listening solely for comprehension.’”

As organizations have become flatter, more virtual and increasingly far-flung, it has become axiomatic that effective leadership is predicated on effective communication and, in particular, on finely honed listening skills. Yet, according to Ram Charan, a noted business adviser who has worked with top executives at some of the world’s most successful companies, “Corporate leaders’ 360-degree feedback indicates that one out of four of them has a listening deficit — the effects of which can paralyze cross-unit collaboration, sink careers and, if it’s the CEO with the deficit, derail the company.”

Charan was referring specifically to a deficit in the kind of listening Palmisano described — a complex skill known as active or empathetic listening in which the listener suspends his own frame of reference and fully attends to the speaker’s. The listener avoids engaging in immediate judgment, prejudice, assumptions, rebuttal or criticism. He is open not only to the spoken word, but also to body language and emotional subtext. He does not try to evaluate or solve problems in the moment, but simply restates to the speaker what he believes he is hearing so as to confirm the mutual understanding of both parties.

That kind of listening is difficult to master, in part because it is at odds with today’s frenetically multitasking, information-overloaded, distraction-driven world, but perhaps more importantly because it runs counter to the way our brains have evolved to function. Our listening brain is wired to do exactly what active listening discourages: evaluate input, predict outcomes, make judgments and perform triage, all on a moment-to-moment basis. That mode of functioning, according to recent thinking in cognitive neuroscience, evolved as the brain’s strategy to use its finite neural capacity efficiently.

“Rather than waiting to be activated by sensations, [the human brain] is constantly generating predictions that help interpret the sensory environment in the most efficient manner,” wrote Harvard Medical School neuroscientist Kestutis Kveraga et al. in a 2007 paper, “Top-down Predictions in the Cognitive Brain.” “There are many statistical regularities in our environment and the brain uses them to short-cut...
processing in similar future situations. The primary principle is that the brain extracts coarse, gist information rapidly, and uses it to generate predictions that help interpret that input. It continuously employs memory of past experiences to interpret sensory information and predict the immediately relevant future."

That means that listening is largely a top-down, strategic, cognitive process. Techniques like positron emission tomography and functional magnetic resonance imaging reveal what happens when we listen. As we take in the stimuli of the speaker’s words, the prefrontal cortex, which enables organizing and prioritizing, lights up with activity as we continuously vet the incoming information against what we know, our past experiences and our theoretical construct of the future.

In one of a series of papers on the subject, Karl Friston, professor at the Institute of Neurology, University College London, wrote: “The brain models the world as a dynamic system. Perception is the optimization or inversion of that model. Cortical responses can be seen as the brain’s attempt to minimize the free energy induced by a stimulus and thereby encode the most likely cause of that stimulus. This is clear evidence that the brain is sensitive to the probabilistic context in which events are encountered.”

According to Andy Clark, professor at the School of Philosophy, Psychology and Language Sciences at Edinburgh University, this is a great advantage: “The capacity to use what you know to outweigh some of what the incoming signal seems to be saying can be hugely beneficial when the sensory data is noisy, ambiguous or incomplete — situations that are, in fact, pretty much the norm in daily life. This underlines the surprising extent to which the structure of our expectations, both conscious and non-conscious, may quite literally be determining much of what we see, hear and feel.”

That further suggests, said Clark, that perception is inextricably tied
For most of the decade since Goldman Sachs’ Jim O’Neill first conferred fab-four status on Brazil, Russia, India and China, even giving them the catchy nickname of “the BRICs,” those emerging economies had certainly lived up to expectations. On average they grew faster than the rest of the world — four times faster than the United States, in fact — and became the darlings of overseas investment portfolios, attracting $70 billion in mutual funds alone. Then, in 2011, their growth decelerated dramatically, prompting another Goldman Sachs economist, Dominic Wilson, to report, “We have likely seen the peak in potential growth for the BRICs as a group.”

The sudden downshift was largely the result of Europe’s deepening sovereign debt crisis, which severely reduced demand for the manufactured exports of emerging economies and suppressed prices for their commodities. European banks that had been sluicing capital into the developing world pulled back in the face of uncertainty at home. However, even as the Russian, Indian and Chinese economies slowed, they still grew at 4.3 percent, 7.8 percent and 9.2 percent respectively. Brazil, on the other hand, lagged the pack at 2.7 percent after having reached a peak of 7.5 percent a year earlier.

Until recently, Brazil’s economy boasted large and vibrant agricultural, mining and manufacturing