

# to ask, or not to ask

The art of asking the right questions can make or break a business, as illustrated in recent high-profile corporate fallouts.

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Whether you are an accountant in private practice, a corporate executive or employed in the finance department of a listed, private or government organisation, you can no longer afford to get by without knowing how to ask the right questions.

The role of the professional accountant is evolving and expanding to include greater strategic and business development

elements. That change of role requires a different mind-set; a different way of thinking, perceiving and processing internally; and a different way of communicating and relating.

In a nutshell, it involves accessing different attributes; such as a high level of awareness, the ability to see the big picture, being fluid, flexible, adaptable,



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and able to create solutions; and at the same time able to focus on specifics to ensure that the detail is congruent with the strategy.

## THE RIGHT QUESTIONS

Accurate data and information is one of the foundation stones for successfully executing those roles and processes of awareness. The less accurate or complete the information, the higher the risk.

Strategy that is premised on inaccurate data may be completely off track. A solution that is based on a wrong perception of the problem will more than likely be ineffective. Decisions based on unchallenged assumptions can severely damage an organisation. However, we must not make decisions unless we have completely accurate data, as that is simply not feasible or practical in many business situations.

The skill of asking the right questions is fundamental to, and a necessary prerequisite for, creating solutions and strategy, making decisions and taking action. Questions are also very helpful when dealing with a myriad of day to day business issues – handling conflict and accusations of harassment, managing performance, in meetings, when facilitating and coaching, when considering reports and proposals.

It is also a crucial skill for monitoring compliance and risk. As we saw with the National Australia Bank's (NAB) currency trading losses in 2004, if the right questions are not asked significant sums of money can be lost. In that case, \$360m or 10% of profit. Graeme Kraehe, the former NAB chairman, says that what he learned from that episode is to not necessarily accept the information that is provided, but to question it far more proactively.

The NAB is not alone. The currency losses happened to become very public, but billions of dollars are lost in business every year without even being noticed, simply disappearing off the radar as the many failed projects that didn't work out the way they were expected to. The Australian Wheat Board (AWB) inquiry also highlighted many lost opportunities for the AWB, Australian Department of Foreign Affairs and Trade (DFAT) and other authorities to probe just a little deeper with a few questions that might have prevented some of the adverse impact on our wheat industry, and the AWB in particular.

Questioning skills are vital when dealing with clients and suppliers, whether internal clients and suppliers in a corporate environment; or external clients and suppliers in a private professional practice.

An accountant who attended one of our workshops last year commented that she wanted to know how to ask questions that elicited the specific needs of the client, even the needs of which the client was not aware, so that she could provide more relevant advice and services. In turn that meant greater success for the client and more, longer-term business for the accountant. So much time, money and opportunity is lost, and energy wasted when the questions and answers produce actions that are 'off track'.

My neighbour is the chief financial officer of a major bank. One of his goals is for his staff to proactively and confidently ask challenging questions and solution-oriented questions to identify and resolve issues before they land on his desk. Far too much of his time is taken up with issues that could have been dealt with quickly and simply at source. He fully understands that his staff cannot be accountable or take personal responsibility unless they have excellent questioning skills.

A senior partner in a firm that has a large financial advisory practice put it bluntly: "Our business is asking questions. If we don't ask the right questions, we cannot successfully advise the clients on their wealth strategy. We cannot expect clients to know what information we need, or even to know their own purpose and goals. We must be able to elicit that information by asking questions."

## A SIMPLE APPROACH

A common misconception is that we need specific expertise or experience in the subject matter under consideration in order to ask the right questions. While expertise and experience can assist in pinpointing issues and can be helpful in formulating questions, the vast majority of matters where questions are helpful do not require expertise or technical knowledge.

Highly effective questions – questions that get results – can be asked by simply listening to how language is used to shift our awareness, and choosing the right questions that respond to those shifts.

There are three key skills to asking effective questions:

- > Knowing when a question is required – that is a deep listening skill
- > Knowing which question to ask – how to phrase a question to obtain a specific outcome
- > Recognising whether the question is answered – again, a subtle listening skill.

The last point is important – the vast majority of answers do not answer the question to which they relate. They appear to, but either don't answer the question, or provide only a partial answer. Usually, the listener is none the wiser.

Language has a particular impact on our awareness, activating a number of processes of awareness that are subtle, yet powerful, influences on how and what we think and do.

For instance, language can expand, contract, direct and/or focus our awareness. Those processes are activated by both the written word and the spoken word, in every document we read, and in every conversation we hear. The converse is also true: what you say or write will expand, contract, direct and/or focus another person's awareness. They are the primary processes by which we use language to influence others, but those processes are not generally recognised or understood.

In business, language is often used (deliberately or, more often, inadvertently) in a way that obscures facts or avoids responsibility. Most of it slips by unnoticed unless a specific process is invoked to challenge information. When the impact of language on those processes of awareness are recognised and understood, the right question is easy to formulate.

## INTERPRETING THE DATA

The 'right' question is one that shifts awareness to obtain an outcome that works. That may involve a number of approaches, for example:

- > Challenging assumptions and beliefs
- > Clarifying ideas and concepts
- > Identifying the shortcomings of, and ways to improve, a strategy or process
- > Identifying omitted information.

The techniques for asking the right questions are based on the premise that you are not dealing with an external event, but with the way the event (past or prospective) is understood, perceived and described. The techniques identify the thinking processes behind the

communication – in particular the sensory data on which the perceptions, beliefs and assumptions are based.

In the business environment, the majority of sensory data on which we base decisions is visual (what we see) and auditory (what we hear). Many decisions and actions are based more or less consciously on what we feel – emotional responses – but those emotional responses are in turn based on what we see and hear, and how we interpret that data.

### SUGGESTED WORDING

Consider the following excerpt from an internal National Australia Bank (NAB) report to a risk management executive committee (quoted in the Australian Prudential Regulation Authority report into the NAB currency trading losses): "At the time of writing ... trading operations continue to manage risk responsibly in changing market conditions. Adherence to risk discipline is good." The language in those two sentences is global, fuzzy, non-specific language that expands the reader's/

listener's awareness, thereby enabling the reader to place their own meaning on the language. At the same time, the language directs the mind away from a crucial issue – what exposure the bank has – by focusing on the management of the risk.

There is also another phrase that directs, focuses and limits the mind – 'At the time of writing ...'. That phrase is often used to distract our awareness from other times that may not be as pleasant.

One other word is particularly pertinent – 'good'. That is not a fact, but an interpretation of facts, based on an unspecified criterion. In the context of trades worth many hundreds of millions of dollars, where there is plenty of precedent (eg. Barings Bank) for rogue trading bringing down the entire organisation, 'good' is a prime target for a question.

Simple questions that are not based on technical knowledge, but on the language in the report itself, can quickly lead to the truth, the facts:

- > What do you mean by 'good'?
- > Where on the scale of adherence to risk discipline is 'good'?
- > What do you mean by 'responsibly'?
- > What is our exposure?
- > How does that measure against our risk parameters?
- > How, specifically, are we managing that risk?

By taking the questions to sensory data, there is little room left for manipulation:

- > Show me the [documentary records] that identify the current risk.

Each of those questions reverses the 'global' nature of the assertions, and demands specifics, down to the sensory-specific data that evidences the assertion. That is where the truth is usually found. It only requires a few well-placed questions, and can prevent losses of many millions of dollars. ●

Christo Norden-Powers, a former trial lawyer, is the author of *Powerful Questions That Every Director, Executive and Manager Must Ask*.



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