



THE POWER OF QUESTIONS



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KNOWING HOW TO ASK THE RIGHT QUESTIONS – AND ENSURING THAT YOU GET THE ANSWERS – IS AN ESSENTIAL BUSINESS MANAGEMENT SKILL.

Now that the Cole Inquiry into the Australian Wheat Board's (AWB) food-for-oil payments has finished, it's time to consider what we can learn from the situation. If I imagine what went on in AWB during the years preceding the enquiry, I can't help but wonder why so many people at AWB didn't ask the right questions.

Perhaps some didn't want to know the answers, because the questions might lead to an 'inconvenient truth'. Perhaps some asked questions but did not pursue the issue when they received a comforting answer. Maybe some did not know *how* to ask the right questions.

Whatever the reason, we know the consequence – the business has suffered enormously, and many people lost their jobs.

Morale was also affected, which is a sure way to damage productivity and have good employees moving to other companies.

Some people may think it is simplistic to say that the problems arose from the failure to ask the right questions and to get the answers, claiming: "The leaders were dishonest. They made the decision to take the actions. That's where the responsibility lies!" And that may be true – to a degree. However, over the years I've consulted to, trained and coached many corporate clients and the thing that strikes me is that there is a *chain* of personal responsibility which companies ignore at their peril.

THE CHAIN OF RESPONSIBILITY

The CEO may make a decision, or take an action, that is questionable in terms of its

effectiveness or its integrity, and that then becomes a 'fact' in the chain. However, if the decision or action becomes known to others and no-one asks the questions that challenge the decision, or that highlight the weakness in the strategy, then the responsibility – at least in part – for the consequences has just passed down the line. Companies whose people do not ask questions will lose something – or everything.

HIH is a good example of a company that was destroyed by the failure of its people to ask questions and challenge decisions. In that case, the entrenched culture strongly discouraged questioning the leaders' views and decisions. If you are in an organisation with that style and culture, it's almost certain to be a toxic environment, and one that is at

substantial risk of failing. It will certainly be far less effective and less profitable than it could be.

NO HIDING PLACE

The failure to ask the right questions affects every area of productivity. For example, the Brisbane City Council (BCC) is one of Australia's largest local governments. It recently experienced a cost over-run of \$14 million on a major HR project, despite having excellent project management processes. Says BCC's CEO, Jude Munro, "I am not sure people on the project steering committee asked the right questions." She has since taken steps to ensure that questioning skills become part of the BCC culture, saying: "Organisations that are successful are ones where decisions are based on the relevant information being openly available. Organisations that fail, hide information. If we learn to ask questions that test the validity of information I believe it will lead to a more open organisations and better decision-making".

But BCC's experience is miniscule compared to many companies. The National Bank (NAB) lost \$360 million directly in its forex scandal a couple of years ago (and a much higher cost in the fallout and cultural change that followed), all because questions were not asked.

Graeme Kraehe, NAB former chairman, said that the bank's currency trading loss taught him "...to not necessarily accept the

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information that is presented to you, be far more aggressive in questioning it".

I take the view that:

- if you suspect a *possible* weakness in a strategy or a decision, you should raise the issue and ask questions about the issue
- CEOs and CFOs who have to sign off on accounts (and all C-class executives for that matter) must test the processes and assumptions that are implicit in the 'facts' that they are given
- companies have an obligation to their shareholders to ensure that all directors, executives and managers, at the very least, have essential questioning skills.

"But asking all those questions will take more time", I hear you say. True. But if you know how to target them, you can usually get to the issue in only two or three questions. They'll take a couple of seconds or a couple of minutes to ask. If a few questions can save your company \$1 million in resource costs to implement a dud strategy, or save you \$360 million in forex losses, that's a pretty good rate of return! Even if it took 10 hours to ask the questions and track NAB's accounts, that

would have been a saving of \$36 million an hour – 60 times better than NAB makes at the best of times.

NOT JUST THE BIG BOYS

And it's not just the large organisations that lose money. One of the executives in our workshops was with a small construction company. He presented a project report to participants at the workshop. His executive team had reviewed the report five months earlier. Two months after that review the company lost \$4 million on the project, because none of the executives picked up a slight change in the language used in the report. However, the participants at the workshop picked up the language and asked the questions once they'd learned the skill. The executive said that, had those questions been asked by his executive team, the loss could have been avoided. He'd selected that report to 'test' the usefulness of the techniques. He was hoping that no-one at the workshop would identify the issue, so that he would feel better. However, what he got was more valuable – the ability to identify hidden issues and do something about them before the loss is incurred.

BUILDING A CULTURE FOR ACCOUNTABILITY

Two of the fundamental requirements for ensuring accountability at all levels and functions of an organisation (and, for that matter, in your private life) are:

- having the ability to ask the right questions, the tough questions – what I call 'powerful questions', and
 - creating an organisational culture that encourages and supports asking – and answering – the hard questions.
- Powerful questions:
- reshape the way we perceive, think and behave

WHAT ARE 'POWERFUL' QUESTIONS

Words don't simply have meaning. They also influence the way in which we shape consciousness. The words we use can expand, contract, direct and focus consciousness. They can cause us to create, hold and withdraw thoughts, beliefs and our inner and outer reality. This is the secret of influencing and of high performance leadership. Being aware of the power behind language is

the key to powerful communication and influencing skills.

Powerful questions are questions that clarify, challenge, shape and create reality. They are not technical questions, but are simple, high impact, incisive questions that highly effective people use to understand what is really going on, and how to create the best outcome. They are the questions other people try to avoid when they don't want to take responsibility or be accountable.

GET RID OF THAT FUZZ

A few months prior to the NAB discovering a \$360m loss on its currency trading in 2004, the following Market Risk report was delivered to an executive committee:

"At the time of writing... trading operations continue to manage risk responsibly in changing market conditions. Adherence to risk discipline is good."

The quote diverts, or directs, the reader's awareness towards the management of risk and away from the key issue – what is the bank's exposure. It contains many 'fuzzy' words that expand awareness and have no clear meaning – 'trading operations', 'manage risk', 'responsibly', 'changing market conditions', 'adherence', 'risk discipline', 'good' – enabling the reader to ascribe their own meaning and understanding. The phrase 'At the time of writing' contracts/limits the perception of the reader to a brief, unspecified timeframe, yet the operations are ongoing ('continues').

The key questions to use will reverse these patterns by contracting, re-directing and focusing awareness, and identifying any hidden issues:

"What, specifically, is the risk and the exposure we are carrying?" and "Show me the figures."

"When was the report written. What is the risk since then? Prior to that?"

"What do you mean by 'responsibly'?"

"How are the market conditions changing?" "How, specifically, are you managing the risk to handle the changing market conditions?"

"What do you mean by 'good'?"

"If it is only good, what isn't being done properly to meet risk disciplines?"



- challenge our assumptions, beliefs and choices
- empower people to find solutions and opportunities when the problem seems insurmountable
- elicit facts and strategy, and identify weaknesses in proposals, reports and recommendations
- cut through to the truth when someone is avoiding responsibility and accountability.

IT IS COMMON FOR US ALL TO BASE OUR RESPONSES ON OLD ASSUMPTIONS. BY ASKING DETAILED QUESTIONS ABOUT THESE ASSUMPTIONS, WE CAN UNLOCK THEM AND ASSIST OURSELVES AND OTHERS TO GROW AND OUR ORGANISATION TO PERFORM BETTER.

In order to know how to ask such questions, we also need to know:

- how to recognise the language patterns that flag the need for a question, and
- how to recognise when an answer subtly avoids the question.

Those of us who don't develop all these three skills (i.e. asking the right questions, recognising when a question is needed and recognising when the answer is fudged) are likely to have the wool pulled over our eyes. And we won't even notice it's happened – until something goes wrong.

DEVELOPING EFFECTIVENESS

The skill of asking the right questions is a critical part of effective communication and influencing skills. It is an essential requirement for most senior positions in the public and private sectors and of

considerable value to the rest of us. If we do not ask the right questions, our organisation's performance suffers and outcomes are slower, less effective and more costly in terms of time, money and energy.

HOW TO ASK THE RIGHT QUESTIONS

So how do you go about asking the right questions? The following steps will provide you with a good start.

1. Observe how the people around you use language (written and spoken).
2. Use this information to identify the half-dozen language patterns that destroy personal and organisational performance in your company (e.g. "But we've always done it this way...", "We can probably deliver it by then", "That's not realistic – it won't work", "Staff will view that negatively", "Customers will love it".)

3. Based on this knowledge, ask the questions that challenge, clarify and shift thinking, perceptions and behaviours to higher levels of effectiveness and outcomes (e.g. "Is it possible there might be a better way to do this?"; "You can probably deliver it by then or you *will* deliver it then?"; "What do you mean by unrealistic?"; "How do you know it won't work?").

It is common for us all to base our responses on old assumptions. By asking detailed questions about these assumptions, we can unlock them and assist ourselves and others to grow and our organisation to perform better.

Asking questions becomes particularly crucial if you are not sure of a matter, even if you make your colleagues squirm. Some people don't like being asked questions, but

that is usually precisely when questions *should* be asked. One or two of the right questions, asked in the right way, will usually unearth any potential time bombs lurking in a report, proposal or recommendation, or uncover weaknesses in a solution or strategy, or even discover better solutions, and save a great deal of time and money.

Asking the right questions takes only a few seconds of time, yet has such huge pay-off throughout an organisation that it is truly surprising that a study of this skill is not part of every organisation's curriculum. **NA**

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HELPFUL HINTS

Verifying facts, challenging assumptions, opinions and 'spin'

Most statements of fact are actually opinions and assumptions, and many are simply not true. Before you make an important decision, test the facts in a three-step cascade – each question contracts, directs and focuses consciousness.

1. Start with "How do you know that?"
2. Follow that with "What did you see or hear that tells you that?"
3. Follow that with
 - [visual data] "Show me the data" and/ or
 - [auditory data] "What was actually said – put it in quotes for me (to your best recollection).

You'll then be in a better position to decide whether the opinion/data is reliable.

Fudging – non-committal language

1. "I'll try to get it done by Monday"
Follow with "You'll try... or you will get it done by Monday?"
2. "I expect we'll have the answer in about three weeks" (unfocused, open-ended, not accountable)
Follow with "You expect...or we shall have the answer in three weeks?"
Follow that with "What do we need to do to ensure we have the answer within three weeks?" (specific, focused, direct awareness to a particular outcome, committed, accountable).



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