LEADERSHIP FROM FINANCE ROLES: ASKING THE RIGHT QUESTIONS

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5 Levels of “Why” Tool

- Ask “why” 3 to 5 times to get to the core issue
- Or “double click” on one of their words
- Use their words to gather more meaning
- When they start to struggle with the answer, you are close to the core
- Practice SILENCE—Let them think
- If you go down the wrong path, back up and start down another
Answer and Action Bias

1. Did you leap to solution?
2. Did you give advice?
3. Did you say “Have you tried or have you thought about…?”
4. Biggest coaching problem is ego.
5. Why not just use top down or discussions??

From the Balcony: The “Why” of a Questioning Culture

- For optimal Collective Impact we have to explore four fields of Inquiry:
  - Emergence
  - Sensemaking
  - Co-create
  - Type three errors
- Becoming a Questioning Culture
- Leaders ask, allow, and encourage questions
Emergence

- Unlike curing a patient, problems such as reforming the US health care system cannot be accomplished through predetermined solutions. No proven solution exists, the consequences of actions are unpredictable, and many variables—such as the outcome of elections—cannot be known in advance. Furthermore, any solution requires the participation of countless government, private sector, and nonprofit organizations, as well as a multitude of individual citizens. In these circumstances, emergent solutions will be more likely to succeed than predetermined ones.

- Taken from the field of complexity science, “emergence” is a term that is used to describe events that are unpredictable, which seem to result from the interactions between elements, and which no one organization or individual can control.

- Leaders of successful collective impact initiatives have embraced a new way of seeing, learning, and doing that marries emergent solutions with intentional outcomes.
There is no ultimate “solution” beyond the process of continual adaptation within an ever-changing environment.

To say that a solution is emergent, however, is not to abandon all plans and structures. Rather than deriving outcomes by rigid adherence to preconceived strategies, a key tenet of addressing complex problems is to focus on creating effective rules for interaction. These rules ensure alignment among participants that increases the likelihood of emergent solutions leading to the intended goal.

Consider, for example, how flocks of birds are able to demonstrate such amazing coordination and alignment, with thousands of independent bodies that move as one, reacting together in nanoseconds to changes in geography, topography, wind currents, and potential predators. Scientists have discovered that just three simple rules govern their interaction: maintain a minimum distance from your neighbor; fly at the same speed as your neighbor; and always turn towards the center. All three rules are essential for flocking. When they are in place, it is as if all birds collectively “see” what each bird sees and “respond” as each bird responds.
The process of collective impact generates emergent solutions toward the intended outcomes under continually changing circumstances. As with evolution, this process is itself the solution. And, as with a flock of birds, effective collective impact efforts experience a heightened level of vigilance that enables participants to collectively see and respond to opportunities that would otherwise have been missed.

From “Embracing Emergence” by Kania & Kramer in Stanford Social Innovation Review

***What might your center be?***
But Humans Have a Different Kind of Communication…

Sensemaking

- A cognitive activity of framing experienced situations as meaningful
- A collaborative process of creating shared awareness and understanding out of different individuals’ perspectives and varied interests.
- Factors that surface as organizations address uncertain and ambiguous situations.
- A two-pronged concept
The Seven Properties of Sensemaking

1. **Identity** and identification is central
2. **Retrospection** provides the opportunity for sensemaking
3. People **enact** the environments they face in dialogues and narratives
4. Sensemaking is a **social** activity in that plausible stories are preserved, retained or shared
5. Sensemaking is **ongoing**, so individuals simultaneously shape and react to the environments they face
6. People **extract cues** from the context to help them decide on what information is relevant and what explanations are
7. People favor **plausibility over accuracy** in accounts of events and contexts

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Each of these seven aspects interact and intertwine as individuals interpret events. Their interpretations become evident through narratives – written and spoken – which convey the sense they have made of events

Currie & Brown, 2003
BIAS BUILDING: HISTORY IS NOT ALWAYS A GOOD TEACHER:

What we believe to be the truth is often a product of having a bias. There are five biases that can unduly influence leadership and decision-making:

- **Bad Experience bias:** When you have a negative experience, it has a larger impact on your memory and leads you to believe that certain roads are to be avoided, to a greater degree, than a quantitative analysis would demonstrate.
- **Frequency bias:** When you hear or see something repeatedly over time, you will be more inclined to believe it.
- **Recency Bias:** When making a decision, something you learned just recently will often carry more weight than information you learned a while ago.
- **Status Quo bias:** Leaders can very easily become overly conservative and avoid making the right decision, simply because they don’t want to disrupt the status quo, which they helped achieve.
- **Confirmation bias:** When you start down a path, you look for evidence to support your direction and at your peril, choose to ignore warning signs.

While a “Not Knowing” approach can help eliminate many of these biases, what about the questions themselves? How might our questions be biased?

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Biases Lead to Type 3 Errors: Solving the Wrong Problem Correctly

Howard Raiffa labeled the error of “solving the wrong problem precisely” the error of the Third Kind or the Type-Three Error. …trying to solve old and new problems with the assumptions, mindsets, and institutions of the past.

(Mitroff 2010)
Becoming a professional means learning to think and practice in certain highly prescribed ways. Professionals learn to understand and apply highly complex templates, or maps, to complex problems and situations. ...professionals use these maps to reduce the buzzing, booming complexity and confusion of the world—reality itself—down to hundreds of highly stylized situations in as coherent and integrated manner as possible. The maps make the world comprehensible, and thereby manageable.

...one learns to think critically, but only within the tight boundaries and narrow confines of accepted thinking within one’s chosen field. One does not generally learn to think expansively across different disciplines and different professions. In this sense, one’s thinking is also bounded.
Consequently, when one inevitably confronts a problem at the edge, especially a novel problem or a case outside the bounds of accepted thinking, one either is stymied to the point of paralysis or falls back on the only resource one has, thus reducing a novel situation to a problem one already knows how to solve. The trouble is that the problems one already knows how to solve may bear little resemblance to the problems one actually needs to solve.

As a result, extreme cases and outlier problems and situations (emergent-cies) pose real and serious challenges…. In the extreme they lead to serious errors, catastrophic failures, and major disasters and crises.

Mitroff 2010 pp xiv-xv
“Actually, like very small earthquakes, such errors occur all the time. However, most of them occur beneath the threshold of ...attention. This has the effect of lulling us into complacency so that when a really big one hits (such as the credit crisis), we are generally unprepared to deal with it effectively.”

--Mitroff and Silvers, 2010

Recommendations:

- Never ever trust a single definition or a single formulation of an important problem
- A single person or organization by itself cannot determine whether it is committing a type three error
- Never, ever trust only one solution to a problem
- Always remember what you are solving for and for whom
- We cannot think entirely within our function any more
Hence the Need for Generalized Specialists

The “Recipe”

Collective Impact
Co-Create: The Process by Which to Arrive at Collective Impact

- Co-Operate
- Collaborate
- Co-Create

But...

The solutions we have come to expect in the social sector often involve discrete programs that address a social problem through a carefully worked out theory of change, relying on incremental resources from funders, and ideally supported by an evaluation that attributes to the program the impact achieved. Once proven, these solutions can scale up by spreading to other organizations. The problem is that such predetermined solutions rarely work under conditions of complexity—conditions that apply to most major social problems—when the unpredictable interactions of multiple players determine the outcomes. And even when successful interventions are found, adoption spreads very gradually, if it spreads at all.

Themes From Yesterday

All thought is responsive to a question. Assume that you do not fully understand a thought until you understand the question that gives rise to it.

- Elder and Paul, *Asking Essential Questions*
Creating A Question Culture

1. Re-norming: Have prompts or cues to help you remember in your meetings/org/conversations in case you forget

2. Create your questioning rules, for example:
   a. Ask as many questions as you can think of each
   b. Do not judge, discuss, or answer
   c. Write down every question the way it is stated/asked
   d. Change all statements into questions

3. Use modified Delphi to find patterns in content

4. Analyze what kinds of questions you are asking (open/closed, etc) practice changing them
   4. Rewrite your questions into open ended questions
   5. Who, what, when, where, why, how? What order would you put these in to be optimally strategic?

5. Determine criteria by which to prioritize questions

6. Then prioritize

7. Decide how to use these questions for constructive purposes

8. Reflect on what you have learned

In other words: Produce, Improve, Prioritize

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The problem in times of turbulence is not the turbulence. The problem is to act with yesterday’s logic.

-Peter Drucker-

Activity 2: Questioner Style

1. Pick a topic from the themes that emerged yesterday
2. Write the first 6-7 questions that come to mind about that topic. The first questions you think of—any questions. One per post-it
3. Sort each of your post-its into Present or Future focus
4. Next sort these two piles into Gaining Perspective versus Evaluating. (there should now be 4 piles)
5. Write one question from each style
An open mind and spirit of curiosity

- Be comfortable with not knowing
- Teaches others to think
- Promotes accountability
- Increases engagement
- Produces better answers and outcomes
- Get the ego out of the way. It’s not about us or what we know
Activity 3: Contexts for Questioning

The Three Contexts for Questioning

1. One system
2. No system
3. Multi or conflicting system

3 Types of Questions

1. One system
   - There is an established procedure or method for finding the answer
   - Requires evidence and reasoning within a system
   - A correct answer
   - Knowledge
   - Questions of procedure or method for finding the answer

2. No system
   - Question is properly answered in accordance with one’s subjective preference; there is no correct answer
   - Calls for stating a subjective preference
   - A subjective opinion
   - Cannot be articulated
   - Questions of preference—subjective taste rules and are as varied as human preferences

3. Multi system
   - Multiple competing viewpoints from which, and within which, one might reasonably pursue an answer to the question. There are better or worse answers, but no “verifiable” ones.
   - Requires evidence & reasoning within multiple systems
   - Better & worse answers
   - Judgment
   - Questions of judgment—reflective judgment or evaluation of human performance

Elder & Paul pp 8
Activity 3: Contexts for Questioning

The Three Contexts for Questioning

1. One system
2. No system
3. Multi or conflicting system

- Which one are you in?
- Which one are you using?

One System Questions:

- There is an established procedure or method for finding the answer. Settled by facts, by definition, or both. Examples:
  - What is the boiling point of lead?
  - What is the size of this room?
  - How does the hard drive on a computer operate?
  - How is potato soup prepared according to established Polish tradition?

Elder & Paul pp 9
No System Questions

- Question is properly answered in accordance with one’s subjective preference: there is no “correct” answer. There are as many answers as there are difference human preferences (subjective taste rules). Examples:
  - Which would you prefer, a vacation in the mountains or one at the seashore?
  - How would you like to wear your hair?
  - Do you like to go to the opera? Which is your favorite?

Elder & Paul pp 10

Multi or Conflicting Systems

- Multiple competing viewpoints; there are better and worse answers, but no verifiable “correct” ones, since these are matters about which even experts disagree. Require reasoning, but with more than one arguable answer. Need rigorous debate (well supported and reasoned versus poorly supported and/or poorly reasoned). Seeking best answer within a range of possibilities. The universal standards are clarity, accuracy, relevance, etc.
  - How can we best address the most basic and significant economic problems in the nation today?
  - How progressive should the tax system be?
  - Should capital punishment be abolished?

Elder & Paul pp 11
The Five Foundational Questions

1. Why do we exist?
2. For whom?
3. In what way does this enhance our consumers’ outcomes?
4. In what way does this represent improvement over the status quo for our consumers?
5. Is it respectful of everyone involved?

Contexts: Three Kinds of Questions

- A question with one definitive answer
- A question that calls for a subjective choice
- A question that calls for competing answers

Elder & Paul
Activity 4: Questioner Roles

Questioner Roles
1. What roles or functions are there who need to weigh in on the process/decision? Finance, Director, consumer, partner agencies, etc.?
2. Write these on the card stock paper and tear paper apart
3. Each person take one
4. Pick one style and one role and ask the most pressing question they might have.

Think Functionally, Act Strategically

- Though much has been written over the years about the strategic importance of HR, IT, finance, and other support functions, in most companies their roles have been primarily transactional. They fulfilled day-to-day needs, met legal and regulatory requirements, accommodated requests from business units, and put out the inevitable fires that erupted when there was a conflict or urgency. When functional leaders were asked to make improvements, it meant doing the same things more efficiently and at a greater cost savings.
Recently, however, there has been a leap in expectations. Over the past few years, CEOs, business unit leaders, and functional leaders themselves have been asking support functions to deliver more value to the organization at large. Instead of balancing services among all business units equally, or striving to be best in class in everything, support functions such as HR, IT, and finance are asked to be “fit for purpose”: more closely aligned to the enterprise strategy. Functions that are more directly related to individual brands and business units—which may include operations, sourcing, marketing, sales, and R&D—have also been affected, though not always in the same way as their counterparts at corporate headquarters. This leap is occurring for several reasons.

From Caglar, Kapoor, Ripsam, “Think functionally, Act strategically” in strategy+business, Spring 2013

QUESTIONS ARE THE ANSWER

Company leaders today face new and increasingly complex problems. Most of these problems are intractable, if not, in the end, problems without real, lasting solutions. It is an extremely frustrating situation for today’s leaders, who are accustomed to finding answers and whose ability to find the right answers got most of them into leadership positions in the first place.

This conundrum leaves leaders with two options: They can try to keep abreast of every issue and make the best possible decision, or they can start to ask more questions.
In the 21st century, it’s not possible for leaders to be know-it-alls, nor is it in their or the organization’s best interest to try. Leaders need to ask questions that move others to action and answers.

The employees that work for you today either know more than you do about their job or at least they should know more than you. As you move up the ranks of an organization or migrate up the ranks by job transfer, you will end up leading people that do things you cannot possibly understand. Rather than using a conventional way of getting up to speed, say reading extensively, leaders should use questions to increase others' alignment, engagement, and accountability.
“Just Ask” leadership is not built around the Socratic Method. Plato suggests that Socrates did not know the answers to the questions he asked. I never bought that argument, nor should you. If you have been using this questioning method at work, please do yourself a favor and stop. Many smart employees can see right through it as just another a technique. They do not like playing cat and mouse with you. If you know the answer that you want them to arrive at, tell it to them. Bear in mind, though, that it’s generally more advantageous to doubt that you know the answer and to ASK.

- From “Just Ask Leadership: Why Great Managers Always Ask the Right Question” by Gary Cohen, Ivey Business Journal, July/August 2010

Watch Out For:

- Dogmatic Absolutists: Every question has one and only one right answer
- And subjective relativism: try to reduce all questions to matters of subjective opinion. They think No question has a right or wrong answer. That all answers are a matter of opinion
- Neither leaves room for what is crucial to success in human life: matters of reasoned judgment
  - Elder & Paul
Evaluating Reasoned Judgment

1. **Questioning clarity**
   - Could you elaborate on what you are saying?
   - Could you give an example or illustration of your point?
   - I hear you saying “x.” Am I interpreting you correctly or have I misunderstood you?

2. **Questioning precision**
   - Could you give me more details about that?
   - Could you be more specific?
   - Could you specify your concerns more fully?

3. **Questioning accuracy**
   - How can we check that to see if it is true?
   - How could we verify these alleged facts?
   - Can we trust the accuracy of these data given the source they came from?

4. **Questioning relevance**
   - I don’t see how that bears on this question. Could you show me how it is relevant?
   - Could you explain what you think the connection is between your question and the question we are focused on?

5. **Questioning depth**
   - Is this question simple or complex? Is it easy or difficult to answer?
   - What makes this a complex question? Are conflicting points of view relevant?
   - How are we dealing with the complexities inherent in the question?

6. **Questioning breadth**
   - What points of view are relevant to this issue?
   - What relevant points of view have we considered?
   - Am I failing to consider this issue from an opposing perspective because I am not open to changing my view?

7. **Questioning logic**
   - Does all of this make sense together?
   - Does your first “paragraph” fit in with your last? Does what you say follow from the evidence?

8. **Questioning fairness**
   - Do I have any vested interest in this issue?
   - Am I sympathetically representing the viewpoints of others?

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Leadership is in the hands of the person who asks the next GREAT question.

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Some good questions and responses

- Can you give me an alternative explanation?
- How would you argue the opposite point of view?
- That would be the answer to..., but what I am asking is ...
- Why?

“For apart from inquiry, apart from the praxis, individuals cannot be truly human. Knowledge emerges only through invention and re-invention, through the restless, impatient, continuing, hopeful inquiry human beings pursue in the world, with the world, and with each other.”

---Paulo Freire---
CURIOSITY WILL CONQUER FEAR EVEN MORE THAN BRAVERY WILL
--JAMES STEPHENS--

Celebrate the freedom of curiosity and question the tyranny of certainty.

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