# Mentoring and developing talent in internal audit

Mentoring is an efficient and cost-effective way of developing and engaging talent in the internal audit function. It promotes collaboration, knowledge-sharing and inclusivity, while improving retention rates, productivity and engagement.

According to the Chartered Institute of Personnel and Development's (CIPD) Learning and Development 2015 survey, mentoring is one of the most commonly used and most effective talent management activities amongst UK organisations.

Forward-thinking internal audit functions are therefore investing in modern mentoring programmes that not only align to the department's goals and objectives, but support the learning and development needs of their employees.

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# What is mentoring?

Mentoring is a learning and development tool that uses knowledge-sharing and discussion to inspire individuals and develop their competences. It is an ongoing relationship between a trusted adviser (mentor) and learner (mentee). Some mentoring programmes are structured and formal, while others are more informal.

According to Eric Parsloe, from the Oxford School of Coaching & Mentoring, the purpose of mentoring is "to support and encourage people to manage their own learning in order that they may maximise their potential, develop their skills, improve their performance and become the person they want to be".

While mentoring does share similarities with coaching, there are also key differences. For instance, a mentor is usually a more experienced colleague or an experienced professional from another organisation, whereas a coach is often a trained coaching professional who may not have the same professional experience as the mentee. With mentoring, the focus is on an individual's career or personal development and is relationship-based, while coaching may focus on specific issues and is task-based. Also, mentoring is usually ongoing and long-term, while coaching often has a set duration and is short-term.

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# Benefits of mentoring

All CAEs are acutely aware of the need to engage, retain and develop their talent, and mentoring is an effective and cost-efficient method of doing so. A 2017 education and skills report by the CBI found that fostering talent and developing people's skills is a priority for 99% of organisations, with 66% achieving this through mentoring and coaching opportunities.

Mentoring is a personalised and focused way of ensuring critical business skills and knowledge are shared and kept within the internal audit function. In a recent whitepaper on how mentoring can drive success in organisations, the author noted that "mentoring programmes harness the value of internal employee resources to develop others, which saves time, cost, and increases overall employee satisfaction".

When implemented successfully, mentoring demonstrates to employees that the company is committed to investing in their training, development and growth, which in turn helps them to feel valued and promotes loyalty. A 2016 report by Barclay Simpson revealed that 28% of internal auditors had changed employer in the last year, with career development being the key driver. As staff retention can be a significant issue for many internal audit functions, mentoring can be an effective way of reducing employee turnover rates and saving on the high costs of recruiting new staff.

Mentoring is also beneficial for an increasingly large proportion of audit staff – millennials. According to the 2016 Deloitte Millennial Survey, 63% of millennials believe their leadership skills are not being fully developed, while those intending to stay with their organisation for more than five years are twice as likely to have a mentor than not. Feedback, professional development and recognition are all highly valued by millennials, so mentoring can be extremely compelling and is a great way to get them engaged and motivated from the outset, while encouraging them to stay with the organisation.

Aside from the benefits to the organisation, there are also key advantages to both the mentor and mentee. For the mentor, it can give them an opportunity to reflect on their own practice and working styles, develop interpersonal skills and professional relationships, and gain recognition as a subject matter expert.

For the mentee, they will be exposed to new ideas and concepts, develop new skills and knowledge, and have the benefit of a supportive relationship with someone who will provide advice, encouragement and guidance on professional development and future career paths.

Mentoring can therefore have a positive impact on company culture, as well as drive appropriate behaviours. Research by Mentorsme found that 67% of businesses reported an increase in productivity due to mentoring, while a 2018 report from the Association for Talent Development revealed that mentees had a better understanding of organisational culture, mentors developed new perspectives and leadership skills, and organisations benefited from a rise in employee engagement and retention.

UK charity Mencap implemented a mentoring programme to support talent management and succession planning across all levels of the business. There were 100 pairs initially, with feedback indicating positive impacts on mentees' self confidence and career direction. The scheme has since evolved into a wider talent programme, which helps employees develop and progress in their careers. It has become increasingly embedded into the company culture, and in 2016, 50% of mentees received a promotion, many into management roles, while others made horizontal moves to enhance their careers. The key benefits observed included an enhanced understanding of other parts of the organisation, increased listening skills and improved communication throughout the organisation.

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# Different mentoring models

There are many different types of mentoring, and they can be applied in different ways in internal audit functions.

## Traditional mentoring

This is the most common approach, involving a one-to-one relationship, in which a mentee is matched with someone in a more senior position. In an internal audit function, this could take the form of a senior internal auditor mentoring a newly qualified internal auditor, to support them while they adjust to their new role and responsibilities.

## Peer mentoring

This is when a mentee is mentored by one of their professional peers. The mentor may have been trained to act as a mentor, has longer working experience at the organisation and/or has a specific set of skills or experiences which they are passing on to the mentee.

## Co-mentoring

This is a form of reciprocal learning where the individuals involved in the mentoring activity act as both mentees and mentors. For instance, two senior internal auditors working in different industries or departments might co-mentor one another to share their individual knowledge and expertise.

The CIPD advises that "mentoring relationships work best when they move beyond the directive approach of a senior colleague 'telling it how it is', to one where both learn from each other".

## Group mentoring

This approach involves a number of learners, rather than a one-to-one relationship. There are different models of group mentoring, including mentor-led, when the group is led by one or more formally-assigned mentors; or co-mentoring, where mentees also act as mentors to one another.

In an internal audit context, a CAE may mentor a group of internal auditors as they transition to more senior internal audit positions.

## Reverse mentoring

This modern approach involves a junior employee mentoring a more senior colleague. It can be very effective in encouraging knowledge sharing and learning across generations or between role levels. This could work particularly well with millennials, who have grown up in a digital age and can mentor their older counterparts in the technology space. For instance, a social media coordinator from the organisation's communications function could mentor a CAE to give insight and guidance on how to use social media platforms as communication tools.

## Anonymous mentoring

This type of mentoring has emerged as a result of web-based technologies that have enabled both the mentor and mentee to remain anonymous to one another and communicate via an online system. This enables the mentee to ask whatever question they want or express how they feel without worrying about being judged; and the mentor can be more honest in sharing their professional experiences.

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# Other approaches

Aside from the above mentoring models, there are other avenues to explore when identifying skills gaps and managing talent in the internal audit function, such as 'guest auditor' programmes, which enable high-performing employees from across the business to gain internal audit experience, while providing the function with new skills and knowledge from other business units. Or 'auditor rotation' programmes, where auditors gain insight into other positions in other parts of the organisation.

Some organisations also put their management trainees through internal audit for a period of three months, to enable them to gain a helicopter view of the business and an understanding of risk, internal control and governance.

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## Issues and common mistakes

There are some common mistakes that should be avoided to ensure mentoring relationships succeed. One such issue is mismatching. Instead of making random pairings, spend time matching mentors and mentees according to their ideas, interests, personalities and long-term goals. Also, CAEs must take care when matching mentors and mentees, with regards to the risk of internal auditors developing relationships across the business, to avoid conflicts of interest.

Another mistake is failing to provide enough support to the participants. Both parties must be monitored regularly to ensure they are happy with the relationship, and opportunities for feedback should be given to help improve the mentoring programme.

Finally, if using volunteer mentors, there is a risk that mentors may not have enough time to carry out their role, especially if their workloads have not been adjusted accordingly. Plus, the nature of volunteering may mean the selection process is not as rigorous, which could lead to unsuitable people chosen to become mentors. Robust selection processes should therefore be in place and mentors' schedules should be adjusted to take their mentoring responsibilities into account.

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## Implementing a mentoring programme

A structured programme is key to successful mentoring relationships. Start by identifying what goals and objectives need to be met and set out how a mentoring scheme can support this.
Ensure the right mentors are chosen – ideally someone who is supportive, empathetic and objective, and can challenge their mentee without judging them.

As mentioned earlier, it's crucial to successfully match mentors and mentees. Ask HR and line managers to assist with this process, or use questionnaires that can help to match people in areas such as personality and values.

Lastly, provide training to both mentors and mentees on the roles each person will play, the particular techniques involved and how the process will be structured.

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## Conclusion

By implementing an effective mentoring scheme, CAEs can promote a culture of personal and professional growth, develop a talent pipeline, boost performance and productivity, plug skills gaps, and create a means of transferring, developing and retaining the wealth of specialised knowledge and skills found in internal audit.