



Building a great team culture

Internal auditors may be used to auditing the corporate culture within their organisation, but it's also important for CAEs to consider the culture within their own teams to ensure they build and maintain a positive working environment.

A great team culture is central to all successful and effective internal audit teams as it inspires employees to be more productive, while enabling them to collaborate, share ideas, support and trust one another, and achieve common goals.

What is team culture and why is it important?

Team culture can mean different things to different organisations, but in essence, it is the behaviours, values and beliefs shared by the team that determine how they interact and communicate with each other and the organisation as a whole.

Creating a strong, unified team culture is important because it enables success, promotes employee engagement, boosts job satisfaction, drives performance and attracts and retains talent.

In most situations, it is important for the culture of the internal audit team to reflect the culture of the organisation, because team members perform better and are more engaged when they understand their specific role and what is expected of them, and they have clarity on how the internal audit function contributes and fits into the organisation's goals, missions and values.

There may, however, be certain situations where the internal audit team culture does not always mirror that of the company. This is because internal auditors tend to be slightly removed from the business due to issues around close friendships and breaching the requirement of independence and objectivity. Also, internal audit will often have difficult meetings when seeking to agree action or perhaps when investigating a fraud or financial anomaly. There are therefore occasions when the internal audit culture may not reflect the culture of the rest of the business, but as long as the overall team culture is strong, positive and supportive, that is what counts.

Also, when people work together within a culture of trust, communication and mutual accountability, not only does the team perform better, but the business does too. This is because a winning culture can differentiate an organisation from its competitors, by attracting the very best talent and the high-performers, who are key to ongoing business success.

A [report by Deloitte](#) on culture in the workplace revealed that 94% of executives and 88% of employees believe a distinct workplace culture is important to business success. The survey also found a link between employees who say their organisation has a clearly articulated and strong culture and those that say they are happy at work and feel valued.

The [Chartered Institute of Personnel and Development](#) (CIPD) recognises that culture plays a key role in business success. "An organisation's culture affects every aspect of how the organisation operates and how

work gets done. Employees' sense of purpose, and the set of values we operate by, steer the culture," it states.

According to the Global Leadership Foundation, when a team takes ownership for the way in which it works together, team members:

- Hold a strong and agreed shared vision of the future
- Feel comfortable in asking for, giving and receiving feedback from others, and the business, as to how they are meeting their accountabilities
- Understand what their impact has been on others in achieving this, both in team behaviours and business performance
- Look for ways to continuously explore and improve what they do

What impacts team culture?

There are many factors within the working environment that play a significant role in building a strong team culture, including:

Leadership – how leaders communicate to others, the values they believe in, the decisions they make, how they empower and support their employees, how they recognise achievements, and how they set out their vision and expectations.

Workplace practices – recruitment, benefits, learning and development, work-life balance, performance management and many other workplace procedures can all influence culture.

People – the diversity, characteristics, beliefs, behaviour and experience of the people employed in the team can impact on team culture.

Mission and values – how clearly the mission, values, beliefs and vision are communicated and reiterated to the team and the organisation as a whole.

How do you create a great team culture?

Building a strong and thriving team culture in internal audit doesn't just happen on its own, although it does evolve and grow over time. Focusing on team culture is one of the most important things CAEs can do, although it's not always an easy task. [Deloitte's 2017 Human Capital Trends report](#) found that culture and engagement were two of the top priorities for business leaders, yet their ability to address both these issues had dropped by 14% since the previous year, indicating that the working environment is becoming more complex.

Millennials are also challenging the status quo because they are seeking a purpose-driven culture in order to be engaged and satisfied at work. According to a [2016 report by Deloitte](#), two out of three millennials state their organisation's purpose is the reason they chose to work there, yet only one out of five millennials in cultures without perceived purpose are satisfied at work.

There are many ways to create a great team culture and these will resonate differently with CAEs depending on their own situation and workplace. For instance, many CAEs will step into a role leading a team that has already been created, while others will be tasked with creating their own team.

The size and location of the team is also a factor. Some internal audit functions consist of only a few people, while others have hundreds, perhaps in several different locations, who only come together a few times a year. If CAEs are leading a remote team, they will have to ensure they develop a strong culture by nurturing relationships, communicating effectively and building trust.

Yet no matter what the situation, all CAEs should spend time identifying how they can promote, build and sustain a great culture in their team. Simple initiatives, such as giving team members the time to participate in activities outside of the work environment or get together to reflect on current challenges, brainstorm solutions and socialise, can all strengthen the team. Here are some other ways to build a great culture;

Ensure clear, effective communication

Successful, happy teams are built on effective communication. CAEs must ensure lines of communication are kept open and are consistent, and that there is an emphasis on not just speaking, but listening too. Also, provide the team with the tools they need to communicate and collaborate effectively, such as video conferencing and online messaging.

Support a culture of learning

Offering team members the opportunity to learn, grow and develop will create a positive culture as they will feel more valued and confident in their own abilities. They'll also learn new skills, which will add value to the team and the organisation.

Provide feedback

This is linked to effective communication. Constructive, regular and proactive feedback is key to creating a great team that wants to improve and perform well. Avoid having set times to provide feedback – instead, ensure there is an ongoing, informal dialogue taking place, that incorporates feedback naturally into the conversation.

Advocate shared leadership

It's not solely the responsibility of the CAE to lead the team. Providing team members with the opportunity to lead in certain areas will give them greater authority and autonomy, which will empower them to take the initiative, as well as make, and be accountable for, their own decisions.

Ensure people understand their contribution

Team members will be more engaged if they have a sense of purpose and a clear understanding of the impact their work has on the wider business. This not only boosts motivation and productivity, but ensures the internal audit team is aligned to the organisation's goals, mission and objectives. CAEs must therefore constantly articulate and reinforce the 'bigger picture', so that team members understand their own contribution.

Celebrate success and recognise achievements

Rewarding and recognising the achievements of team members is an important component of a strong, positive culture. Make a point of celebrating and rewarding successes, and share those success stories, as this can strengthen the team, inspire others to accomplish more, and demonstrate that any contribution is

valued.

Lastly, the Global Leadership Foundation has developed a comprehensive and useful model that sets out the nine critical success factors in building a great team culture, including creating a shared team vision and direction; being mutually accountable; and building team identity.

Warning signs of a negative culture

According to a recent survey on company culture, 29% of employees rated their culture as being either toxic or needing improvement. There have been a number of high-profile organisations, such as **Sports Direct** and **Uber**, that have failed to consider the wellbeing of their employees and have cultivated a culture of fear and dishonesty, and are prime examples of how not to do things.

It's crucial to look out for any signs that may indicate a toxic or negative team culture is developing, so that steps can be taken to turn things around. These include, but are not limited to:

- Poor or inappropriate leadership
 - Little or no interaction between managers and employees
 - Closed lines of communication and strained relationships
 - Little or no collaboration – individuals are working in silos rather than as a team
 - Successes and achievements aren't rewarded or recognised
 - People are wary of speaking openly and honestly and have a fear of failure
 - Team members are not trusted to be autonomous or make their own decisions
 - Performance, enthusiasm, morale and engagement is low
 - Team members don't understand how their work is contributing to the business
 - Gossiping and bad-mouthing is common
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Examples of great culture

Organisations that are focused on a great culture will always strive to put their people first. Some of the more well-known companies that are dedicated to their culture include online shoe retailer **Zappos**, which places huge emphasis on hiring for cultural fit. In fact, candidates have to attend and pass a cultural fit interview, which carries 50% of the weight in hiring them or not.

Twitter is also known for its great culture, with employees at the tech firm citing the supportive and motivational team-oriented environment as a key part of their positive culture.

Software company Adobe focuses on creating a culture of trust, where employees are never micromanaged – instead they are trusted to carry out their responsibilities to the best of their abilities, while giving them the support they need to meet any challenges.

Conclusion

No team can enjoy success without its people, which is why it is so important to build a great team culture and instil that sense of shared purpose and values amongst all team members.

"When workplaces are designed with a clear understanding of the nature of the work being carried out; the nature of the collaborations and human interactions that unlock value; the needs, expectations and wellbeing of the workforce itself; and the need for flexibility, adaptation and growth - all underpinned by an appreciation of the organisational culture – that's when the magic can happen."

- Peter Cheese, CEO of the CIPD