



Transforming from manager to leader

For newly-appointed CAEs, making the transition from manager to leader can be an exciting, yet daunting move. Becoming a leader is a great achievement but it is not without its challenges. A 2011 [report by the CIPD](#) revealed that 56% of UK leaders had transitioned into a leadership role in the previous five years, yet only 22% of UK organisations had implemented programmes to ensure the transition process was smooth. According to the report, this is a major reason why many leaders still find leadership transitions problematic.

New CAEs may be required to hit the ground running, however, moving up into a leadership role can take a great deal of time and energy, so it's essential to start the transformation process early to maximise your chances of success.

The distinction between managing and leading

First, it's important to be clear on the differences between management and leadership. In John P. Kotter's book, [What Leaders Really Do](#), Kotter highlights three main differences:

- Leaders set the direction and develop a vision of the future; managers set goals and allocate resources.
- Leaders align people, communicate the vision and ensure it is achieved; managers organise others, develop job descriptions, recruit and delegate.
- Leaders motivate and inspire; managers control, solve problems and monitor results.

Managers are often focused on short-term tasks or goals, and could be described as organised, informed, tactical and instructional. Leaders, on the other hand, focus on long-term goals, and would more often be described as strategic, innovative, dynamic and influential.

The CIPD states that leadership and management are linked and often used interchangeably, however, "at the heart of many interpretations, leadership is deemed to involve developing an initial vision and inspiring others with an overview of how that vision may be achieved, while management involves translating the vision into reality by guiding the actions and behaviours of a group of people on a day-to-day basis".

Traits of successful internal audit leaders

Great leadership plays a crucial role in a successful internal audit function. So what are the key traits of a successful internal audit leader? PwC's [2016 State of the Internal Audit Profession](#) report highlighted the five characteristics most commonly seen in 'very effective' internal audit leaders:

Vision

The report found that 96% of very effective leaders are confident in preserving a vision for the function, even

during times of change, and that these leaders have a strong vision that aligns with both the organisation's strategic direction and stakeholder expectations.

Talent

The study suggested that exceptional leaders are adept at talent management, and have the ability to design a talent model that aligns with both the organisation's and internal audit's vision. They also implement talent strategies that deliver the right people with the right skills at the right time.

Positioning

According to the report, robust executive positioning with an organisation empowers leaders to be active participants in meetings, facilitates a proactive perspective on strategic risks, and influences others. Very effective internal audit leaders also use their position to offer greater business contributions.

Communication

The research found that 88% of very effective leaders have a strong executive presence and communicate with impact. It suggested that excellent internal audit leaders are confident, composed and authentic, and are skilled in communicating with stakeholders, drawing connections, effecting change, protecting the business and communicating the value delivered.

Business alignment

According to the study, 98% of very effective leaders are proficient in aligning scope and audit plan with the strategic direction of the business. The report stated that exceptional leaders focus on developing relationships based on trust, which enables them to understand what is happening in the business, align with transformational changes and manage risks while balancing objectivity.

Whilst other qualities such as integrity, self-awareness, authenticity, curiosity, resilience and accountability can be considered traits of a successful manager or indeed internal auditor, they are also desired characteristics of a leader too.

Assessing your leadership skills

As a newly-appointed CAE, or even if you've held the role for some time, it's useful to evaluate your skills as a leader, so that you can take stock, gain valuable insight into your own abilities, and ensure you are moving in the right direction, including but not limited to:

Knowing yourself

To be a successful and authentic leader, you must understand yourself well and be mindful of both your strengths and weaknesses. Get to know yourself better by considering factors such as, what values are important to you; the leadership and working styles that best describe you; what your limitations may be; and the key attributes that enable you to lead successfully.

Understanding your role

When moving up into a leadership role, it's crucial you are clear on your new position and what is expected

of you. Consider the purpose of the role, as well as the knowledge, skills and attitudes required to fulfil your responsibilities. If possible, talk to the person you are replacing about the role, and communicate with your reports, as well as senior management and key stakeholders, to find out how they see the role developing.

Seeking feedback from others

Personal feedback, such as 360-degree feedback, is a useful way to discover how others view your leadership style, while helping you to grow and improve. **Research has shown** there is a strong correlation between asking for feedback and a leader's overall effectiveness. Feedback can be from direct reports, peers or other stakeholders, and can either be formal or informal. Encourage open discussions and questions to find out what direct reports or senior management need from you as the CAE, and whether there is anything you should stop or start doing or could be doing better or differently.

You can also take this simple questionnaire to evaluate your own abilities.

Transforming yourself into a great leader

There are a number of steps you can take to successfully make the transition from manager to leader:

Identify a role model

One of the most effective ways to learn how to lead successfully is to identify another leader who you admire and respect, and model your leadership style on them. This can be someone from within the organisation, or indeed anyone who you hold in high regard. Learn from them by studying their experience, observing their characteristics and behaviours, as well as how they carry out their leadership responsibilities.

Change your mindset

As a manager, you may have been used to thinking tactically, but as a leader, it's time to think strategically. This means looking at the bigger picture and how the day-to-day performance within the internal audit function translates into long-term goals and strategies and how it aligns with the organisation's long term goals and strategies. Expand your perspectives, focus on influencing outcomes, view challenges with a fresh pair of eyes and ensure your behaviour, culture and attitude mirrors your values.

Develop your business acumen

CAEs must have a clear and strong understanding of the business and the industry in which it operates, as well as any associated risks. According to PwC's 2016 **Internal Audit Profession report**, 78% of very effective leaders have exceptional business acumen and clearly articulate insights on strategic risks. Focus on developing your analytical skills and enhancing your logical thinking. As noted by the CIPD, management and leadership are often linked and used interchangeably so of course, these skills are just as vital for an internal audit manager too.

Set the agenda

To become a successful leader, you need to start asking the questions, rather than answering them. One of the essential traits of a great leader is curiosity. By asking the right questions, you will satisfy that curiosity, and get the answers you need to grow and learn, both individually and as a team. A leader needs to be the

one setting the agenda, rather than responding to it.

Anticipate threats before they occur

Great leaders go beyond problem solving by developing the ability to spot problems or threats before they happen. Predicting potential challenges before they manifest, anticipating outcomes, and suggesting ways to avoid pitfalls, is a valuable skill and could even help to identify potential opportunities too. To do this, leaders need to think analytically, have a thorough understanding and awareness of the business, the function and its people, and consider every option.

Communicate with and inspire others

A successful leader must be an inspiring communicator. This doesn't necessarily mean you have to be great at talking, but you must know how to listen well, speak with authenticity about what you genuinely believe in, and demonstrate to others that you understand and appreciate their views and opinions. By enhancing your communication skills, you will also learn how to better manage expectations and maintain effective and open lines of communication with key stakeholders, such as external auditors, the C-suite and chair of the audit committee.

Build great relationships

As a CAE, some of your key responsibilities include getting results from your team and driving productivity; in order to do this, it's crucial you take the time to build positive relationships with the people you are leading, as well as others in the organisation. This means establishing trust, becoming the organisation's and your team's 'trusted advisor', fostering collaboration, actively listening and engaging, setting expectations, knowing your teams' strengths and weaknesses, and developing a set of shared values.

Define the role of the audit function

Internal audit leaders will have varying responsibilities, depending on the size of the organisation, and the sector in which it operates, as well as the size of the audit team itself. You must, therefore, ensure you are clear on the role of your audit function within the business to ensure you deliver value.

Focus on your ongoing learning

Finally, as a leader, you need to commit to continuous learning and be responsible for your own **professional development**, such as the **QIAL leadership qualification**. You must have a strong desire to learn, grow and develop, and be accountable for sharing newly-acquired knowledge with others. Ensure you are constantly honing your leadership skills, whether that is through reading, seminars, networking, feedback, becoming a volunteer for the institute, or other methods.