

Stakeholder Management and Soft Skills

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Context - Changes in Internal Audit Profession

	Historic	Modern	Cutting Edge
Perspective	Rotational	Risk Based	Business Critical and reputational factors
Style / Focus	Transactional Compliance / backward looking	Design and Operations and backward looking	Independent / Forward Business Perspective
Tools / Tech	Checklists /Manual	Audit work programs, for key controls / Electronic work papers	Analytics, Continuous Audoting

Need to upgrade skills – Technical and Non Technical

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Identifying Stakeholders

-Internal

- Management Audited
- Executive Management
- Audit Committee
- IAD Team

-External

- Regulators
- External Auditors
- Service Providers

And then lets identify some more.....

Challenges

Information presented that

- people do not want to hear
- with which they may not agree
- the audience varies from
 - performing the affected processes on a daily basis
 - having little or no knowledge of the details
- Yet all must gain a common understanding so that any issues identified can be addressed adequately.

Understanding Stakeholders needs

- What are their objectives within the audit process?
- What do they need from us?
- What might we do that could cause them problems?



- What are our objectives?
- What do we need from them?
- What tools/instruments will we use?

- What do we have in common?
- How can we help each other?

Lets discuss a few.....

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Soft Skills

Technical skill prepares a product yet to be accepted

Technical skills (risk based IA, data analytics and audit lifecycle management tools) get you what you want however the non technical skills take them where you want

Soft skills or people skills are personal attributes that enable someone to interact effectively and harmoniously with other people.

Effectiveness of soft skills allows internal auditors to:

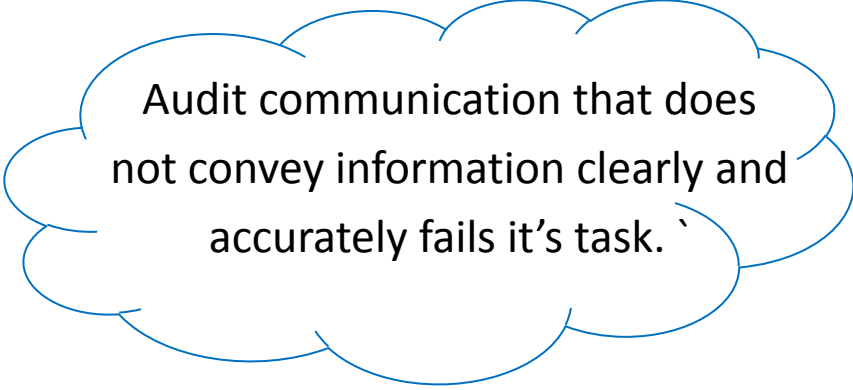
- create more credible relationships and therefore better collaboration and trust
- 'sell' your work more effectively to the stakeholders
- be perceived as a value-added component and as a Business Partner

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Communication

- **Communication is crucially important to the successful performance of the internal auditor's job.**
- According to the International Standards it shall be therefore:
 - ✓ Accurate
 - ✓ Objective
 - ✓ Clear
 - ✓ Concise
 - ✓ Constructive
 - ✓ Complete
 - ✓ Timely
- 20% effort and 80% value
- Whereas the audit report is the primary means for the internal auditor meetings remain a crucial touch-point for internal auditors.



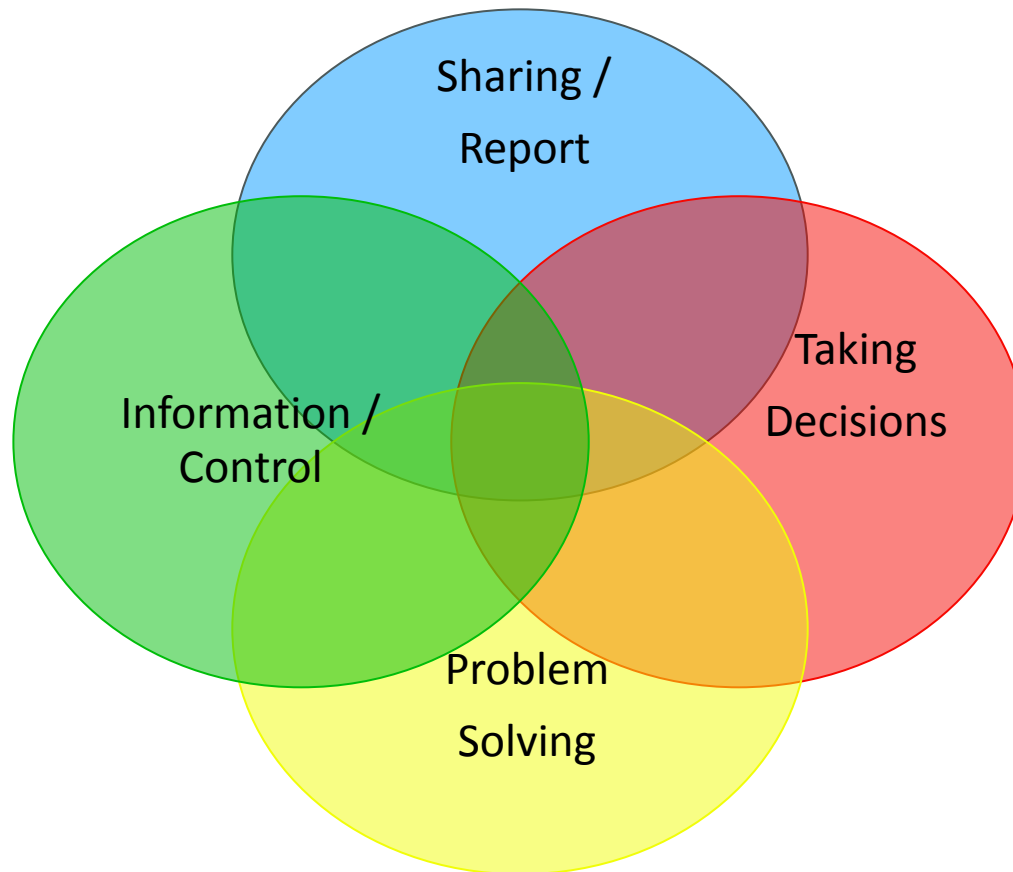
Audit communication that does not convey information clearly and accurately fails it's task.

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Communication Touchpoint - Meetings

Meeting purposes



Fundamentals of a meeting

Advance notice and agenda - Prepare effectively, you and the stakeholder to manage expectations and 'set the scene'

Why

Enables you to set the scene with clear objectives and desired outcomes

How

- Meeting invite in the diary via Outlook to the other party(ies)
- Mention of what they might want to prepare in advance to help the efficiency

Practical Tip

- ✓ Speaking is best. Don't hide behind a mail. Get verbal agreement then send a meeting request
- ✓ A written agenda including desired outcomes – ask the client if there is anything they would like to add - Allowing the client to have a say gives you the chance to use the expression “as we previously agreed”

Fundamentals of a meeting

Basic 'aesthetics' location, timing, dress code

Why

- To look prepared and give a feel that the matter is important and is worth taking the time to do properly

How

- Smart clothes, tie, jacket
- The right location – a private area, preferably in a room where it is quiet
- The documents you need – a pen and paper is a must
- Your brain

Practical Tip

- ✓ Dressing smartly can give you more credibility, having the correct 'tools' shows you have the minimum required for a professional

Fundamentals of a meeting

Preparation know your 'stuff' and back up your statements

Why

Opportunity for you to demonstrate your area of expertise. When it goes well people will see you as credible and an expert

How

- All the supporting documents you may need to show and back-up of all of the issues you want to highlight with concrete examples (preferably more than one)
- The potential consequences if this continues
- Objectivity

Practical Tip

- ✓ Be prepared to justify your statements
- ✓ Think through what you are going to talk about
- ✓ Manage expectations.

Fundamentals of a meeting

Strong opening with clear objectives understood by both parties

Why

- It's actually easier if you take control and lead the way and they can just turn up and talk (as long as you do it in the right way!)

How

- The agenda previously sent
- A refresh of what the objectives of the meeting are
- The desired outcomes for both parties that have been previously agreed

Practical Tip

- ✓ Open your meeting with your statement of intention, what you would like to discuss and what you would like both parties to walk away with

Fundamentals of a meeting

- **Closing and next steps mutually agreed**

Why

Endings are important, it's your chance to end really well and to create a lasting impression

How

- The agenda
- A summary
- Meeting Memo

Practical Tip

- ✓ Use the agenda to check you have gone through everything and ask if there is anything else they would like to add
- ✓ Summarise what you have discussed
- ✓ Discuss next steps and agree on this (follow up with a mail to reinforce)

Fundamentals of a meeting – Active Listening

Listening is about being quiet, not about preparing your next statement

What

Active listening involves the listener observing the speaker's behavior and body language. Having the ability to interpret a person's body language let the listener develop a more accurate understanding of the speaker's message

Para-phrasing after the speaker not necessarily agreeing with the speaker but simply stating what was said.

Why

- The proper use of active listening results in getting people to open up, avoiding misunderstandings, resolving conflict, and building trust
- This can be the difference between a good technician and a fantastic professional

Fundamentals of a meeting – Active Listening

How

- Look and Sound the Part
- Reflect / Paraphrase
- Ask Questions
- Summarize

Practical Tip

- ✓ Enhance your listening skills
- ✓ A quiet room helps where you can't be disturbed
- ✓ Ask open ended questions
- ✓ Demonstrate empathy – put yourself in their shoes
- ✓ If you feel they are in difficulty ask what you can do to help
- ✓ Read their body language and ask them kindly but honestly if they have any concerns

Meetings - Summary

- Stay objective, independent
- Be firm, do not hide or minimize when something is wrong
- Explain that it is about the procedure, not the person
- Be professional, do not blame
- Adapt to behavior of auditee
- Be direct and show empathy
- Do not raise your voice, stay calm, especially when something is wrong
- Give constructive feedback and positive feedback
- Teaching, tell what is missing
- Integrate suggestions
- Find the right argument to change habits
- Focus on solutions, improvements which are possible
- Good eye contact

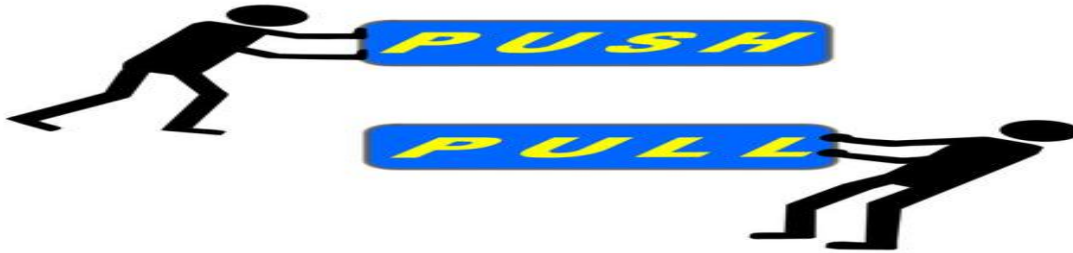
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Influencing Skills

The auditor is a change leader: that is a challenging job, because one of the hardest things is for people and organizations to see they need to change and then do so.

Influencing Behavior



- Task focus for short term
- Stating Wants and Needs
- Outline Consequences
- Giving Feedback
- Suggesting & Proposing Ideas

- Relationship focus for long term
- Positive Listening and Questioning
- Being Open
- Giving Positive Support
- Finding Commonality & using Vision

Push Behavior

What

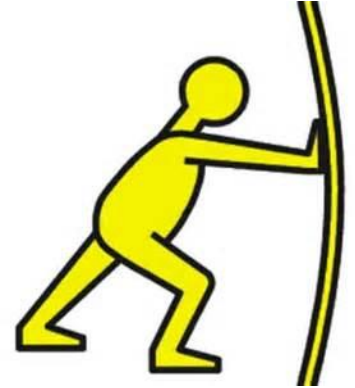
Clearly letting others know what you want/need/expect from them in clear unambiguous terms

Why

- You're clear about what you want
- Facts or data support your ideas
- When time is important
- You want to encourage objective analysis & discussion
- When task compliance is more important than the relationship
- Emergency or very urgent situations

How

- Be clear about what you want before you start talking
- Use short sentences
- Not justifying or giving reasons
- Positive expression of want



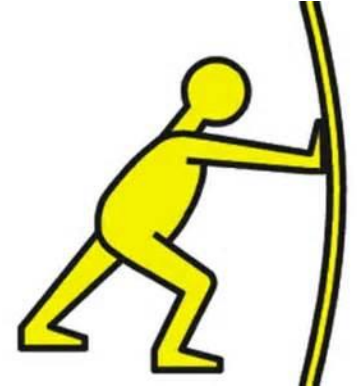
Push Behavior

Practical Tips

- Put your idea/thought first and give your reasons afterwards
- Maximum of three reasons
- Strongest reason first
- Statements not questions
- Flag proposals
- Be concise

If used non skillfully becomes:

- Overpowering
- Aggressive
- Threatening
- Showing contempt
- Attacking



Pull Behavior

What

- Listening verbally and non-verbally to another person and asking questions agenda

Why

- To build a relationship
- To gather facts/opinions/feelings
- To get 'below' a problem
- To diffuse high push conflict
- To understand a person's views and experiences more fully

How:

- Active listening
- Skilled questioning
- Giving positive support
- Being open
- Finding commonality and creating a compelling vision



Pull Behavior

Practical Tips

- Stay on their agenda
- Show you are listening
- Find Commonality
- Ask open & probing questions
- Look for and drawing attention to, areas of agreement
- Maximize similarities / Minimize differences
- Use analogies and metaphors

If used non skillfully becomes:

- Under-whelming
- Avoiding
- Submissive
- Self pitying
- Over accommodating
- Dreamer



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Time Management

- Time is an Asset - Consider the ROI of activities including meetings where one spends on time
- Covey Time Management Matrix

	URGENT	NOT URGENT
IMPORTANT	ACTIVITIES: I Crises Pressing Problems Deadline-driven projects Production problems	ACTIVITIES: II Prevention Relationship building Recognizing new opportunities Planning Recreation Production capability problems
NOT IMPORTANT	ACTIVITIES: III Interruptions, some calls Some mail, some reports Some meetings Popular activities Pressing matters	ACTIVITIES: IV Trivia, busy work Some mail Some phone calls Time wasters Pleasant activities