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Agile Internal Audit:
Recent insights from the field

Becoming an evolutionary leader

Our previous installment in the *Recent insights from the field* series showed how Agile organizations benefit from Agile leaders who lead by example. It ended with a quote from Gandhi: "Be the change you wish to see in the world." To translate that into Agile terms: Becoming an Agile leader is an inward evolutionary journey. Inward change is a **prerequisite** for external change. But what does that journey look like? It has many aspects, but a few that we've observed to be especially important involve vulnerability, unlearning old habits, and releasing authority.

Vulnerability: Creating space for experimentation and learning
Learning requires vulnerability; one cannot learn without admitting a knowledge gap. A chief audit executive (CAE) at a large investment firm was dissatisfied with the business impact his function's audits were delivering. He realized that Agile principles and methods would help improve the results. However, he recognized that his knowledge of Agile was insufficient to achieve this goal. His first step was to admit this vulnerability at a function wide town hall. He observed that the entire department would need to learn together while leaning on Deloitte for coaching and guidance. This admission of vulnerability created the psychological safety necessary for his team to **experiment, learn, and adapt**. And they did! Within four months, auditees were reporting increased satisfaction with the business value of audits.

Unlearning old habits: Leaders speak last
One of our clients' leaders had the habit of beginning team meetings with her directions to the team. This habit had made her successful in the past, but it was interfering with her desire to lead an empowered, high-performing team that could self-organize, giving her time to elevate her focus to more strategic questions. This old approach to meetings made her team more passive as they awaited instructions, and she remained closely involved at the task level.

The key **transformative moment** in her inward journey arrived when she began acting on one small piece of advice we gave her: "Start meetings by asking your team what you can do for them." She continued to provide direction, but learning to speak last was key to unlocking her team's potential. But learning is uncomfortable! She noted,

> "It was awkward the first few times I tried it, so I was tempted to return to old ways. But I persisted, and my team started learning to come prepared to speak first."
> – Product owner at a large oil and gas company

Her team consequently became more active organizing their own work. This, in turn, allowed the leader to become less directive, less involved in the details, and more focused on strategic questions—in other words, she kicked off a virtuous cycle by unlearning an old personal habit.

Releasing authority: Trusting the team
A common paradox of leadership is that tightening control sometimes backfires. It can create a negative cycle in which increasing control starts to paralyze a team's ability to perform. In one instance, a team leader doing Sarbanes-Oxley (SOX) work in a traditionally hierarchical culture found himself in precisely that situation. An underperforming team was being driven to work long hours. The leader delved deeply into details, spent time solving problems, and micromanaged activity. His instinct was to improve performance by tightening his grip. However, things got worse, and the key stakeholders considered this team to be the worst performing of all its peers.

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We noticed that this leader and his team were exhausted, and we counseled him to reverse course. Rather than taking ever more control, we suggested he release authority to the team to figure out how to get things done. Rather than telling them how to solve problems, he started asking them how they would solve them. This contradicted the conventional leadership style he was accustomed to, making it a difficult inward transformation to undertake. But the team started improving almost immediately. The leader redirected the time he had spent micromanaging into ensuring the team understood the bigger picture, which equipped them to solve problems independently. Then, as his team took greater ownership of day-to-day issues, he discovered that he had more time to manage his difficult stakeholder relationship.

As the end of the testing cycle drew near, this team finished their work before every other SOX team. They used their extra capacity to take work off the plates of other teams to help the entire organization, earning the label **"worst to first."**

Toward a new leadership style

All of these leaders found their inward journeys to be challenging. Becoming vulnerable by admitting one's own lack of knowledge, unlearning a familiar leadership habit, and releasing authority in a traditionally hierarchical culture all required leaders to evolve inwardly before creating the external change they desired. Their **inward evolution** made all the difference for their teams, yielding improved team dynamics, productivity, and overall performance.

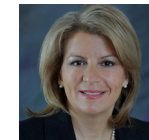**Next in the series: The new IIA Standards are more Agile than ever.**

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