



EXECUTIVE PRESENCE: INCREASE AUDIT EFFECTIVENESS, BUILD LEADERSHIP POTENTIAL

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Quite a few years have passed since the business tome "Dress for Success" first convinced a generation of corporate up-and-comers that how they looked could have a significant impact on their prospects for upward mobility. While changing corporate cultures and the advent of business casual and "jeans Fridays" have moderated that message over the years, the basic premise remains valid.

However, while choosing the right suit can help build confidence, it takes more than that to build credibility, authority and trust – all qualities vital to effective internal auditors. It demands a combination of external and internal qualities that can be characterized as "executive presence."

Executive presence is not easily defined. It is more than self-confidence and deeper than image. It is a combination of confidence, personal bearing, empathy and insight employed in ways enabling the auditor to influence others to accept conclusions, recommendations and judgments as a peer professional.

In my experience, the most typical qualities making up executive presence can be broken down into the following categories:

- **External** components are ways in which internal auditors dress, carry themselves in posture and behavior, employ facial expressions, voice, eye contact and outward bearing when dealing with coworkers and management.
- **Acumen** relates directly to the intelligence, skills, insights and strategic focus the internal auditor brings to the table, supported by his or her technical knowledge and experience.
- **Core** characteristics of auditors with executive presence include the individual auditor's personal values, philosophies, integrity, honesty, initiative, optimism and the ability to develop effective relationships.

First, let me state categorically that value of executive presence is not limited to individuals such as chief audit executives and others who may have regular direct contact with the audit committee, senior management or even the board of directors. Obviously, in such interactions, a bearing of executive presence is a prerequisite for effective communication.

In reality, few auditors will have contact with management at these levels. However, they frequently have contact with executives who may be several levels removed from the executive committee or the board, such as department heads, vice presidents, senior vice presidents, etc. And the need to demonstrate executive presence is just as important when dealing with executives at lower levels within the organization.

Importantly, true executive presence is a hallmark of professional maturity. It is an acknowledgement of the understanding that the perception of a team leader extends to external perceptions of the entire team. It demonstrates a desire and ability to make the team's performance congruent with the big picture objectives of the organization. And it is an acceptance

that the team is only as strong as its weakest performer, driving a commitment to continually improve performance.

Building trust

Finally, executive presence is absolutely necessary to the building of trust. Trust is both an essential building block and a desired consequence of executive presence. In my experience, there are five distinct stages in the process of building trust through the judicious application of executive presence.

First, the internal auditor must **engage** the issue or problem openly with the other person, bringing the issue into clear focus and selling the other party on the auditor's ability to deal with it. This kind of engagement will help facilitate the auditor's ability to tell and hear truths about a given situation or set of concerns.

The auditor must **listen** to what is both said and unsaid during an interchange about a particular issue, strengthening the auditor's ability to suggest a problem statement or otherwise define the issue.

The next step is to **frame** the discussion in a way that will help crystallize and organize the client's issue, stating the root cause of the problem clearly and openly in order to coalesce and move forward.

The auditor and client then need to **envision** together what the desired solution or outcome might be to achieve clarity of objectives and a shared vision of potential solutions.

Finally, both the auditor and the client must **commit** to arriving at a course of action that will begin the process of problem resolution.

The ultimate goal of the trust-building process is to empower the auditor with an increased ability to influence others to take the proper courses of action to address problems, further contributing to the auditor's aura of executive presence.

Talking to the top

Inevitably, there may be times when an auditor will be required to communicate with senior management – situations when the individual's executive presence will be put to the test. The following communication tips may be helpful in such situations, in addition to further strengthening the auditor's executive presence:

- Begin your message or presentation with your ultimate communication goal firmly in mind. This will help you to be concise and remain focused on your objective throughout the interchange.
- If you are engaged in a follow-up communication, summarize the results or conclusions of any prior meetings before proceeding to "new" material. This will help to re-establish rapport and refresh the major points that have already been covered or decided.
- As preliminary findings emerge and you begin to draw initial conclusions, informally discuss your results with decision-makers and decision-influencers. Watch for their reactions so that you can make appropriate course corrections and modifications in your word choice and frame of reference going forward.
- Use easily understood, "plain" language. Jargon or technical-speak may engender confusion, provoke interruptions and send the discussion off course.

- Address each topic deliberately and slowly, using win-win terminology to explain the business impact of each issue or recommendation.

These kinds of techniques are particularly important when delivering bad news. Keep in mind that people, including department leaders and other executives, have a natural resistance to hearing things they would rather not. This resistance can manifest itself as a diminution of the auditor's authority and presence, or even outright resentment. I have been in situations where I have literally heard line managers, while reviewing negative audit assessments, question what auditors really know about the business anyway since they've never had "real" jobs.

Delivering bad news

Combating this perception and response to bad news takes an understanding of techniques to soften the blow. Once again, a sense of executive presence will come into play:

- **Tailor your presentation appropriately** – Dress in accordance with the seriousness of the situation. Don't employ bright colors and motion in your PowerPoint presentations or otherwise spice up a series of grim statistics. Stick to simple background colors or your standard corporate template and a simple font. Save the lights and color for happier presentations.
- **Don't invite extra spectators** – When you need to schedule a meeting to cover bad news, invite only the managers who need to be there, give them the facts and leave it up to them to disseminate the information to their teams.
- **Don't be overly dramatic** – Stick to the facts and leave your personal judgments and predictions out of the mix. The severity of a situation, and some of the potential directions to take to fix it, will be implicit in the information. Don't overplay.
- **Include a positive spin** – It's there somewhere, such as the fact that local management has already begun to take steps to ameliorate a problem. Or perhaps it is the fact that discovering a deficiency now will result in significant savings down the road. Highlight any bright spots.
- **Don't sugarcoat it** – On the other hand, don't take the positive spin too far. Part of your credibility and executive presence is discharging your obligation to share the facts – even if they are alarming or upsetting to others. Tell it straight and without ambiguity, which is usually the best way to deliver bad news.

There is one other aspect of the development of executive presence among internal audit practitioners that should not be overlooked. As I have stated in the past, many of us share concerns about the cultivation and preparation of leadership talent within the ranks of internal auditors in the years ahead.

Developing executive presence can deliver tangible benefits in the here and now, but the long-term promise of this view is the preparation of a cohort of audit professionals with the organizational insights, people skills and cultural perspectives to become the effective leaders of tomorrow.



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