

# How to audit leadership

CQI Yorkshire

20<sup>th</sup> March

Kate Armitage at Qualsys

# Agenda

- The importance of leadership
- Why you need to audit leadership
- Three lines of defence
- Tackling toxic cultures
- Example questions
- Hints and tips



Kate Armitage  
Head of Quality Assurance

# Importance of Leadership

“Leadership aren’t engaged with quality. They do it because they have to, not because they see the cost-saving potential.”

“The rules are too difficult and boring. Quality brings little empirical value to the leadership role and they feel like their time is better spent elsewhere.”

“Leadership see quality as a necessary overhead, rather than a cost-saver.”

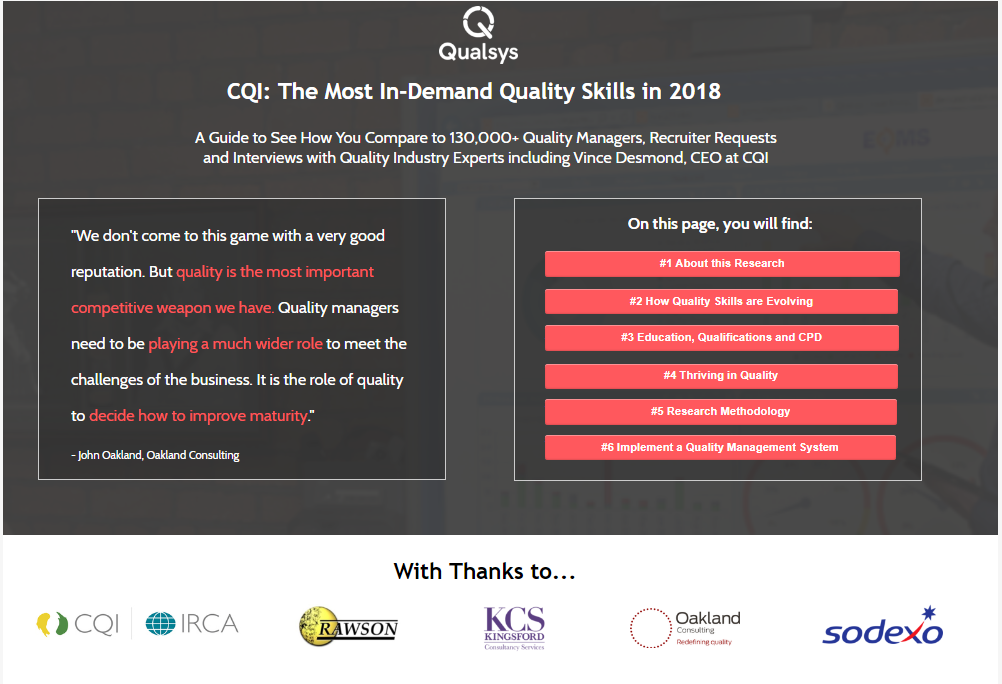
“We’re only consulted when something goes wrong – we’re still a bolt-on at the end of a project, rather than integrated into the business processes.”

“Leadership only want a certificate on the wall.”

“It’s too easy for leadership to have an “over to you” attitude.”

# Leadership vs management

- Management:
  - Processes
  - Rely on tangible, measurable capabilities
- Leadership:
  - Behaviour
  - Strongly on less tangible and less measurable



The screenshot shows a report from Qualsys titled "CQI: The Most In-Demand Quality Skills in 2018". It includes a quote from John Oakland, CEO of CQI, and a table of contents with six items.







**Qualsys**  
**CQI: The Most In-Demand Quality Skills in 2018**  
A Guide to See How You Compare to 130,000+ Quality Managers, Recruiter Requests and Interviews with Quality Industry Experts including Vince Desmond, CEO at CQI

"We don't come to this game with a very good reputation. But **quality is the most important competitive weapon we have**. Quality managers need to be **playing a much wider role** to meet the challenges of the business. It is the role of quality to **decide how to improve maturity**."  
- John Oakland, Oakland Consulting

On this page, you will find:

- #1 About this Research
- #2 How Quality Skills are Evolving
- #3 Education, Qualifications and CPD
- #4 Thriving in Quality
- #5 Research Methodology
- #6 Implement a Quality Management System

With Thanks to...

What makes a great quality leader?  
<http://get.eqms.co.uk/skills-quality-career-progression/>

## Role of leadership

- Leadership needs to ensure that responsibilities and authorities for relevant roles are assigned, communicated and understood within the organisation.
- Leaders need to ensure the integrity of the management system is maintained when changes are planned and implemented.
- It is management's responsibility to ensure these tasks are planned, implemented and achieved



# Benefits of leadership commitment

- People will understand and be motivated towards the organisation's goals and objectives
- Activities are evaluated, aligned and implemented in a unified way
- Miscommunication between levels of an organisation will be minimised
- A clear vision of the organisation's future is established
- Challenging goals and targets are set
- Shared values, fairness and ethical role models are established at all levels of the organisation
- Trust is established and fear is eliminated
- People are provided with the required resources, training and freedom to act with responsibility and accountability
- People are inspired, encouraged and their contributions are recognised.



# Five key things we need from leadership

- Clear definition of organisational structure, hierarchy, roles and performance
- SMART goals and mission
- Performance monitoring
- Time to review, every week
- Clear, collective corporate culture





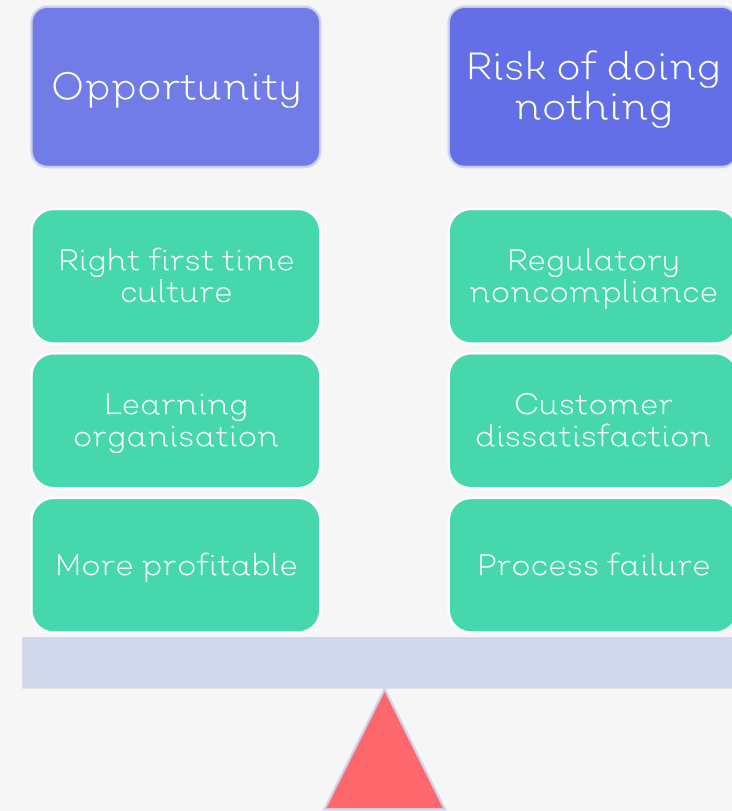
**“There was no incentive to do bad things.”**

**John Stumpf, Wells Fargo**

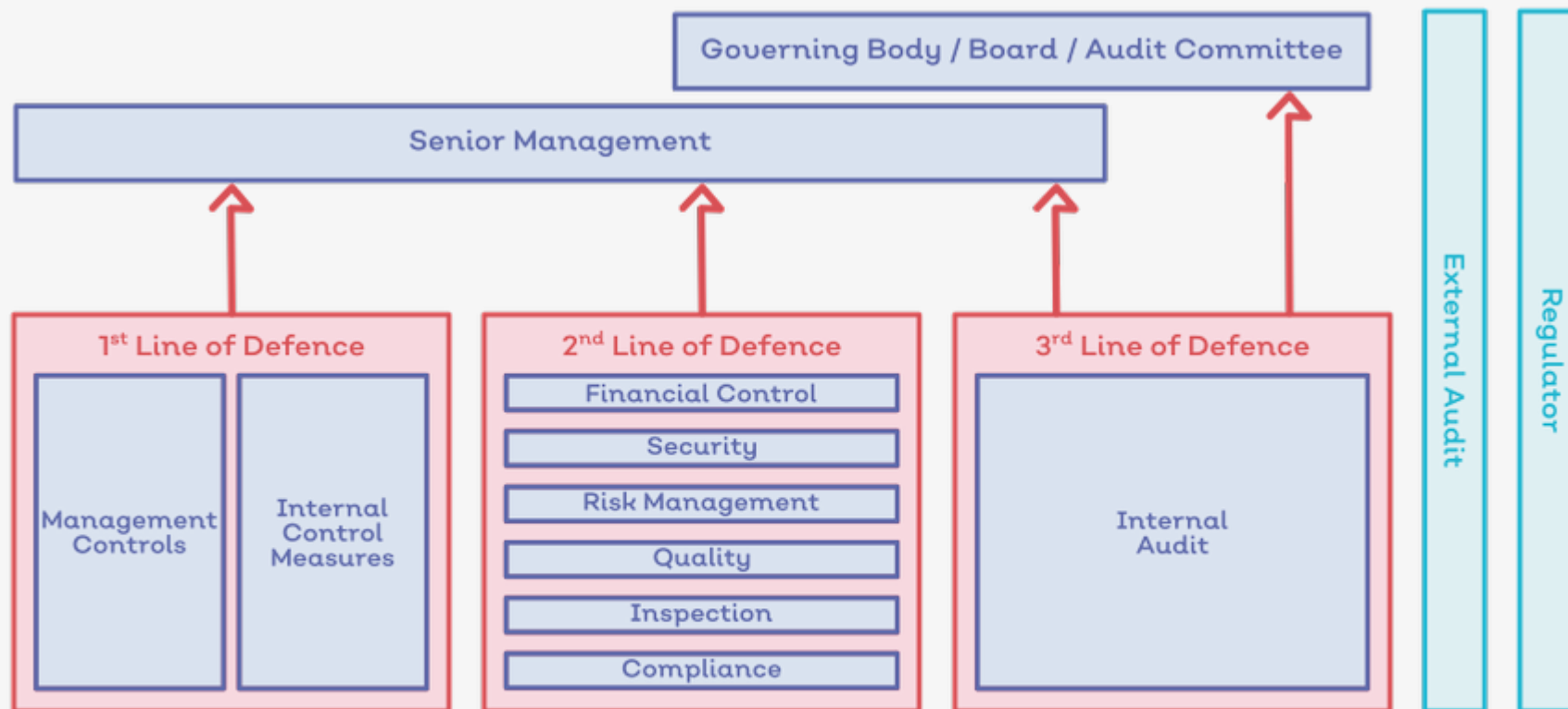


# Why is auditing leadership challenging?

1. HiIPPO: Highest paid person's opinion
2. Asking the right questions
3. Giving feedback



# Three lines of defence



# The expectation gap

## Boards

- **Understand risk**
- **Processes to manage risk**
- **Hold management accountable**

## Management

- **Identify and manage risk**
- **Tone at the Top**
- **Identify and manage risk**
- **Establish processes and policies to support objectives**
- **Model behaviour**
- **Hold yourself and others accountable**
- **Foster an environment of top down and bottom up communications**


## Internal audit

- **Provide assurance to management and the board that processes are functioning as designed**
- **Provide insights into risk and opportunities to improve mitigation strategies relating to process and controls**
- **Focus on root cause analysis, move beyond what and where to why**
- **Leverage knowledge of the business to provide insight**

# What drives toxic corporate culture?

Seven deadly signals of toxic culture

1. Lack of collaboration
2. Focus on self interest
3. Overly bureaucratic
4. Lack of trust
5. High staff turnover
6. Same mistakes are repeated
7. No visibility



Do you feel your leadership team is doing enough to demonstrate they are engaged with quality?



## Example questions to ask leadership

- Please provide examples of how you communicate the importance of a QMS or IMS.
- How do you demonstrate commitment to your employees?
- As an organisations, how do you meet (and exceed) customer expectations?
- Do the MS objectives align with the business strategy?
- Please provide an overview of your Risk Approach
- Please provide an overview of your Interested parties and how they affect your MS
- How do you manage change?
- How do you capture and use knowledge?

## Hints and Tips

- Keep your eyes open
- Keep your ears open
- Follow your nose
- Remain diplomatic
- Be open and friendly
- Remember - Management should be readily available, prepared, and 'excited' to participate in the opening and closing meetings.