

PSYCHOLOGICAL SAFETY

TOOLS FOR INTERNAL AUDIT



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TITLE

Psychological safety - handles for Internal Audit

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Summary

In the dynamic world of internal auditing, there is a crucial element of the business operations that still receives little attention in audits: psychological safety. Despite the fact that psychological safety has already proven its importance for the success of organizations. For instance, Google's widely cited study on team effectiveness revealed psychological safety as the most significant factor (project Aristotle).

As internal auditors, we look at the assurances that an organization (unit) will achieve its goals, or be effective. If psychological safety is one of the most significant factors of effectiveness, it should be included in many internal audits. In this publication, IIA Netherlands provides the tools and explains the concept and importance of psychological safety, followed by a concrete description of how psychological safety can be researched in various types of audits. In addition, guidance is provided on how to establish psychological safety in the audit team and in the conduct of audits. All this aims to enhance the added value of the internal audit function (IAF) in a positive and constructive working environment.

What is psychological safety?

Amy Edmondson, one of the most influential voices and researchers in the field, describes psychological safety as a work environment that is safe enough to take interpersonal risks, such as voicing opinions, contributing new ideas and discussing mistakes in order to learn from and with each other and be more effective.

When employees feel safe to share ideas and take risks, they can develop themselves and reach their full potential. This leads to increased productivity, commitment and satisfaction. Thereby, psychological safety has a direct relationship with setting challenging goals and fostering a high-performance organization. Employees who feel

safe and are without fear are more likely to pursue ambitious goals and challenge themselves. This improves performance and promotes growth, which ultimately benefits the organization.

Psychological safety is not the same as social safety. Social safety focuses on protection against undesirable behavior such as intimidation and discrimination, while psychological safety is about promoting team effectiveness in an environment where employees feel seen, heard and valued. These are two different forms of safety that are closely related and add value to the organization in different ways.

Psychological safety in audits

As internal auditors, we can link psychological safety to various topics that are usually part of the audit universe and risk analyses. Including psychological safety in audits can be done in several ways, both as an audit variable in a regular audit, as a separate research or as part of a root cause analysis. Within these audits, both the psychological safety experienced by those involved and its assurance can be examined. Both have specific models and techniques. Well-known models such as those of Amy Edmondson, Timothy Clark, Hans van der Loo and Joriene Beks, Elmira Nijhuis provide a framework for measuring various dimensions and levels of psychological safety.

Several techniques can be used in psychological safety research, including document research, interviews, surveys and observations. For each of these techniques, this publication explains the specific advantages and concerns in analyzing psychological safety and provides many practical tools. Find out which approach, models and techniques are best suited to which issues.

Psychological safety within the IAF

Psychological safety is also important within the IAF itself. First, there is the role of the CAE and other managers; they play a key role in creating an environment in which psychological safety thrives and all team members feel valued and respected. Practical examples and aspects are described, such as encouraging active participation in team meetings and showing vulnerability by sharing personal mistakes.

This does not mean that only the departmental and team leaders within the IAF are responsible for psychological safety, because everyone in the department has to contribute to this. This is also evident in the audit process: psychological safety enhances each phase, from planning to follow-up. Each phase has its own specific considerations in order to create a suitable environment for the audit team to work in:

- the planning phase: open dialogue and the sharing of different perspectives are encouraged;
- the fieldwork phase: auditees feel comfortable communicating openly and honestly about any challenges or concerns;
- the reporting phase: feedback is valued and taken seriously;
- the follow-up phase: auditees feel supported in implementing recommendations and sharing feedback on the progress.

This contributes to fostering a culture of continuous learning and improvement within the organization.. In short, there are plenty of points of reference for everyone in and around the audit profession to thoroughly read this publication and get started with the tools. Psychological safety can be incorporated in the internal audit team and in many audits to help create a successful, high-performance organization. This also addresses the performance component so prominently mentioned in the Global Internal Audit Standards (GIAS).

Good luck and professional fulfillment with this publication.

This contributes to a culture of continuous learning and improvement within the organization.

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1. Introduction

In the dynamic world of internal auditing, there is a crucial element in the business operations that receives relatively little attention in audits: psychological safety. Meanwhile, psychological safety is attracting strong interest from society and organizations. And for good reason! Various studies have shown that psychological safety is the determining factor for successful teams.

As internal auditors, we look at governance and control. In other words, at the assurances that an organization(-al unit) will achieve its goals, or be effective. If psychological safety is one of the most significant factors of effectiveness, it is a factor that should be included in many internal audits.

For IIA Netherlands, this prompted a closer study into what psychological safety precisely entails (and what it does not), and especially how the internal auditor can incorporate it into audits given its importance. This report aims to provide tools for properly researching psychological safety and thus contributing to the effectiveness of the organization. As the IAF is a team, psychological safety is also an important factor for the IAF itself to function effectively. Thus, guidance is also provided for a psychologically safe IAF and conduct of audits. This benefits both auditors and auditees.

This publication takes you into the world of psychological safety. It describes why psychological safety is an absolute must in any organization striving for high performance, growth, and resilience to move with the ever-changing, often complex environment. And why it therefore makes sense to pay attention to this as an auditor.

Chapter 2 explains the concept of psychological safety: what is it and what is its importance? It also discusses what psychological safety is not and in which organizational issues psychological safety plays a role. Chapter 3 describes the tools for auditing psychological safety: the types of audits and their grounds, the models to be used, the techniques for mapping it out and a several of concrete cases to learn from past experiences. Chapter 4 concludes this publication with the application of psychological safety to the work processes of the internal auditor. Including concrete tips on how to achieve psychological safety and thus create a work environment that allows the audit department to thrive even more in the dynamic work environment.

Psychological safety is a determinant of successful teams and thus should be included in many internal audits.

2. What is psychological safety?

In this chapter we describe what psychological safety is, but also what it is not. The following are discussed in turn:

- 🌐 The concept of psychological safety;
- 🌐 its importance to teams and organizations;
- 🌐 organizational issues where psychological safety can play an important role.

We conclude with a brief description of several models on psychological safety. These models are further elaborated in Chapter 3 for use in an audit.

2.1 The concept of psychological safety

2.1.1 DEFINITION

There are different definitions of psychological safety. The most influential voice in the field of psychological safety is professor Amy Edmondson (Harvard Business School) who has been researching psychological safety within teams in organizations for more than thirty years. Amy Edmondson defines psychological safety in her book *The Fearless Organization* as follows: “Shared belief held by members of a team that the team is safe for interpersonal risk-taking. Psychological safety is a sense of confidence that the team will not embarrass, reject or punish someone for speaking up. It describes a team climate characterized by interpersonal trust and mutual respect in which people are comfortable being themselves.” (Edmondson, 2018).

In addition to Amy Edmondson, other researchers are also concerned with the subject. They often take the aforementioned definition as a starting point and then work it out in more practical terms or add a new dimension to it. In doing so, they also offer useful angles and tools to audit psychological safety. These are described in section 2.4.

First, we mention the practical elaborations by Hans van der Loo and Joriene Beks in the book *Psychologische veiligheid, zo vorm je vrijmoedige teams*. Timothy Clark complements the foundation of psychological safety with four phases of psychological safety, ranging from a low to a high degree of mutual respect and consent that team members grant each other. Elmira Nijhuis adds a new dimension. She defines psychological safety as follows: “The practice of psychological safety consists of feeling free from interpersonal anxiety as well as the willingness to contribute to the well-being and development of the team and its team members.

2.1.2 PSYCHOLOGICAL SAFETY VERSUS SOCIAL SAFETY

The terms psychological safety and social safety are often mistakenly used interchangeably. Both relate to the topic of safety, but the direction and approach differ. Social safety primarily focuses on protection against undesirable behavior such as intimidation, discrimination and bullying. The Nederlandse Instituut van Psychologen (NIP) and the Orde van Organisatiekundigen en -adviseurs (OOA) define social safety as follows: “There is social unsafety in cases of undesirable behavior, such as bullying, harassment, intimidation and verbal or physical violence. This undesirable behavior can come from managers, colleagues, but also from citizens or patients. Care for social safety focuses on minimizing or even completely eliminating undesirable behavior (Koetsenruijter and Van der Loo). Being a victim of prolonged social unsafety can lead to stress complaints, depression and absenteeism from work.’

Psychological safety, on the other hand, is aimed primarily at creating an environment in which people feel seen, heard and valued, with organizational effectiveness as the goal. 'Psychological safety manifests itself in the belief that people can - or even should - be candid. A work climate that employees perceive as psychologically safe provides a favorable breeding ground for innovation, effectiveness and learning (free from Edmondson).'

These two types of safety are related and overlapping. However, they are grounded in different disciplinary backgrounds. Social safety has a criminological and legal perspective, while psychological safety has an organizational perspective derived from studies of culture and teams (Hans van der Loo). In auditing, there is often a focus on the first perspective (social safety): how are risks mitigated and undesirable situations prevented? We believe that the second angle (psychological safety) can increase the added value of auditing by looking at the guarantees of success.

2.1.3 MISUNDERSTANDINGS SURROUNDING THE CONCEPT OF PSYCHOLOGICAL SAFETY

What is psychological safety not? In practice, there may be a number of misunderstandings surrounding the concept of psychological safety that lead to misperceptions. Psychological safety is not (Edmondson, 2018):

- Being nice - It is being candid, providing space for productive disagreements, free exchange of ideas.
- A personality trait - There is no correlation with personality traits such as introversion or extraversion. It is a characteristic of a team's work climate or work environment.
- Another word for trust - Trust often occurs between two individuals/ parties and is focused on the future. Psychological safety is experienced at the group level.'

- Lowering performance standards - Not an attitude of: everything is fine. Psychological safety is specifically about improving the performance of the team.

2.2 The importance of psychological safety

The importance of psychological safety for the organization

Several scientific studies have been conducted on the effectiveness of teams, demonstrating the importance of psychological safety.

In 2012, Google initiated a broad two-year study called *Project Aristotle* to identify the most determining factors for team effectiveness. Its results are known as "The five keys to a successful team. This study revealed the following: 'Psychological safety was far and away the most important of the five key dynamics [...] - it's the underpinning of the other four.' Thus, psychological safety is more important than clear goals (structure & clarity), trustworthy colleagues (dependability), meaningful work for the team and the individual (meaning) and the belief that the work has influence (impact).

In 2018, Amy Edmondson published the book *The Fearless Organization. creating Psychological Safety in the Work- place for Learning, Innovation, and Growth*. In this book, she substantiates her insights through various conducted studies on the team effectiveness and provides the tools for psychological safety. She even lists the benefits in the title of the book: learning, innovation and growth.

The studies show that psychological safety is the foundation on which a team functions optimally. This has a positive effect on the (improvement) realization of team goals and, consequently, on achieving organizational goals. This translates into concrete advantages such as:

- More (incident) reports and therefore more insight into risks, challenges and changes therein. Consequently, the teams and the organization align better with each other, with the expectations and with realistic possibilities within the organization and in relation to the environment.
- Increased productivity through higher input and engagement due to improved collaboration within a team (and between teams) through transparency and focusing on the collective interest. Especially when there are differences in e.g. backgrounds, disciplines.
- Improved learning ability and greater creativity thanks to mutual feedback and exchange of ideas and knowledge. This leads to greater flexibility and professionalism in dealing with (unexpected) challenges or changes.

The importance of psychological safety depends on the nature of the organization

The aforementioned also raises the question of whether psychological safety is equally important to all teams (and organizations) or and provides the same benefits. The answer to this is no. The benefits of psychological safety are particularly crucial for teams (and therefore organizations) dealing with:

- Low standardization, such as in innovative processes or processes with a many changes, complexities and uncertainties.
- Ambitious goals, striving for learning and better performance.
- Diversity in background (e.g., culture, knowledge and skills) and interdependencies among team members.
- Situations where higher employee engagement is sought, such as in change processes.

- Environments with increased risks related to (physical) safety, social interest or political pressure, among others.
- The impact of circumstances such as volatility, uncertainty, complexity and ambiguity that need to be mitigated.
- Interdependence of work between colleagues.

The importance and benefits of psychological safety are thus less effective when teams perform routine or predictable work (Edmondson, 2018). However, even for such teams, specific problematic issues may (temporarily) arise where attention to psychological safety does offer benefits. For example, to increase the team's involvement in achieving organizational goals or in a change process.

The importance of psychological safety and setting ambitious performance standards

In Edmondson's model of the four dimensions of psychological safety, she indicates that psychological safety is not an isolated issue. As already indicated, the goal is to create effective teams. However, only high levels of psychological safety are not necessarily always good for increasing team effectiveness. It is important to also pay attention to setting ambitious performance standards. See *Figure 1* in which the degree of psychological safety is related to the degree of setting ambitious performance standards. Four dimensions are distinguished here: apathy, anxiety, comfort and learning zone.

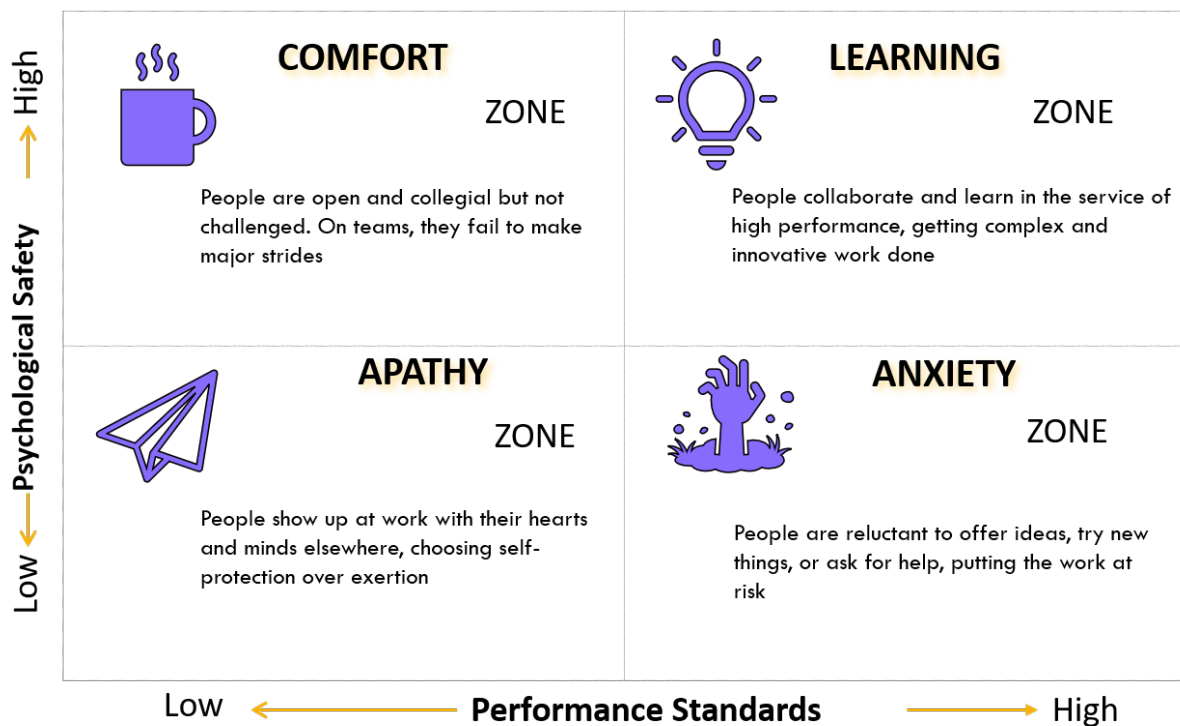


Figure 1. Four dimensions of psychological safety (based on Edmondson).

- 1. Apathy Zone** - A low level of psychological safety and unambitious performance goals. Employees are physically present but seem mentally absent and do not feel engaged in the work and its results. There is resistance to change, little effort, and uncollegial behavior. Employees choose self-protection over effort.
- 2. Anxiety Zone** - A low level of psychological safety with ambitious performance goals. Employees feel they are on their own, do not ask for help, are afraid to make mistakes, do not propose new ideas and avoid risks.
- 3. Comfort Zone** - A high level of psychological safety but there are few ambitious performance goals. The team is collegial, works at a steady pace, the work is pleasant, but there are no real challenges. Teams struggle to make significant progress.
- 4. Learning Zone** - A high level of psychological safety and ambitious performance-goals. The team's working atmosphere is characterized by openness. There is creativity, mistakes are learned from, employees dare to take risks.

The team works together and co-workers interact easily. The work environment stimulates growth and innovation.

If an organization only works to increase the level of psychological safety it does not automatically lead to an improvement in team performance. To get into the learning zone, it is important to pay attention to *ambitious performance goals* in addition to paying attention to psychological safety within the team.

Team effectiveness requires a combination of psychological safety and ambitious performance standards

2.3 Organizational issues in which level psychological safety can play an important role

Psychological safety affects team effectiveness and the team's achievement of performance goals. Thus, psychological safety can play an important role in achieving the themes on which a team is working. For the auditor, this means that including psychological safety in audits of other themes can also add value. For inspiration, here are a number of organizational issues:

- 🌐 Integrity and compliance - Audits into integrity and compliance generally look not only at (ensuring) compliance with rules, but also at the way employees make decisions in difficult situations, and how they account for them. A psychologically safe environment in which employees share their dilemmas and doubts is important. Insight into and the understanding of this can be obtained by including psychological safety in the audits. The importance of psychological safety in the context of integrity and compliance was confirmed by the Dutch Compliance Institute's award of the National Compliance Award 2023 to Amy Edmondson.
- 🌐 Inclusion - An audit into inclusion can also touch on the topic of psychological safety by examining whether all individuals, regardless of background, feel free to express their opinions, share ideas and be themselves without fear of negative consequences. An environment that is psychologically safe promotes diversity and inclusion because all voices are heard and everyone has an equal opportunity to contribute and thrive within the organization.
- 🌐 Effective collaboration - Psychological safety is relevant to (an audit on) effective collaboration because it affects the of openness, trust and respect within a team or organization. An environment that is psychologically safe encourages open communication and fosters a culture in which team members feel free to

share ideas, give feedback and work constructively together toward common goals.

- 🌐 Undesirable behavior - Undesirable behavior relates particularly to the topic of social safety. However, investigations into undesirable behavior within organizations can also touch on the subject of psychological safety. An example is the research report *Strength without Counterforce*, which deals with an investigation in response to signals about undesirable behavior in the House of Representatives. This also addressed signals related to perceived psychological safety. Attention to psychological safety can affect how quickly people speak up about undesirable behavior.

In conversations within organizations, we notice that the term psychological safety and its meaning are not always well understood and can evoke various interpretations. It can feel like a catch-all term or threatening. This creates the risk of resistance when researching psychological safety. As an auditor, it is therefore important to take into account the possible sensitivity surrounding the terminology. It is essential to explain and describe the term well, for example in the annual plan, in the title of the audit or in the communication towards the client and the auditee. In such cases, the explanation of the concept of psychological safety from this publication may possibly help.

Alternatively, another references can be used. For example, consider the themes described above. *Figure 2* shows a number of topics and terms for inspiration that have a relationship to the term psychological safety, which we gathered in conversations with researchers and auditors in various organizations. The auditor can use these terms when communicating about conducting an investigation into psychological safety. These terms also illustrate the broad relevance of psychological safety across various domains.

Learning organisation - **Organizing contradiction** - **Team effectiveness**
 - **Attitude towards mistakes** - **Speak-up** - **Giving and receiving feedback**
 - **Prevention** - **Leadership and followship** - **Talking about (political) pressure** - **No fear** - **Human dimension** -
Open communication - **Integrity climate** - **Governance effectiveness** -
Reporting mistakes - **New Culture** - **Cooperation** - **Binding and captivating**

Figure 2. Collected topics related to psychological safety

2.4 Models of psychological safety

The following describes a number of models or frameworks that, on the one hand, have proven their value in the field of implementing and investigating psychological safety and, on the other hand, are also useful to an internal auditor. This section briefly describes the design and background of each model. Then section 3.2 further discusses the possible use of these models in an audit. They will be further operationalized there.

Following the definitions in Section 2.1, the following models are discussed:

- 🌐 Amy Edmondson;
- 🌐 Hans van der Loo and Joriene Beks;
- 🌐 Timothy Clark;
- 🌐 Elmira Nijhuis.

2.4.1 AMY EDMONDSON – FOUR VARIABLES

Amy Edmondson has been researching psychological safety in the context of organizations for more than 30 years. Her book *The Fearless organization* is influential. She identifies four variables surrounding psychological safety:

- 🌐 willingness to help and teaming;
- 🌐 inclusion and diversity;
- 🌐 attitude about taking risks and making mistakes;
- 🌐 open conversations.

Amy Edmondson shares in her book a commonly used survey that can be used to measure these four variables. These variables can also be found in section 3.3.3.

In addition, she provides tools for building psychological safety. These are tasks for leadership:

- 🌐 prepare the way;
- 🌐 invite participation;
- 🌐 productive response.

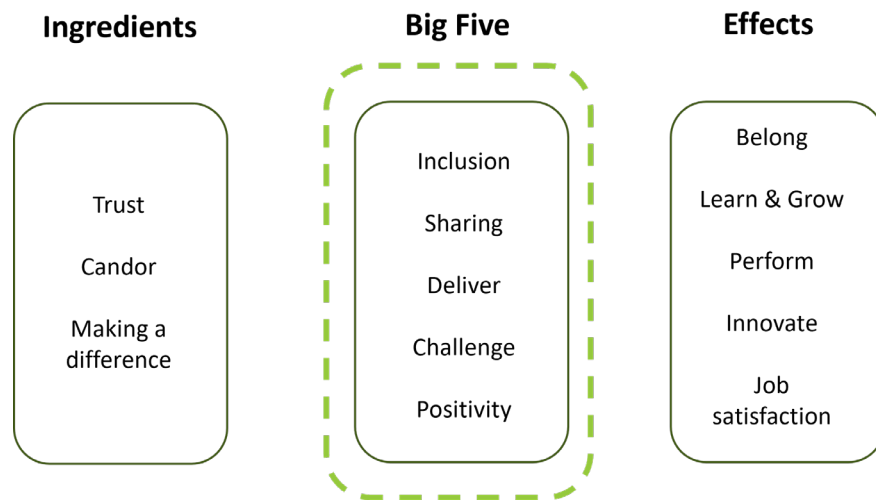


Figure 3. The Big Five framework by Hans van der Loo and Joriene Beks

2.4.2 HANS VAN DER LOO AND JORIENE BEKS - FIVE CHARACTERISTICS

Hans van der Loo and Joriene Beks' Big Five framework (see Figure 3) consists of five characteristics of psychological safety:

- 🌊 Inclusion - People feel at home on their team, they belong and all talents are utilized.
- 🌊 Sharing - The team communicates openly about mistakes, opinions and ideas.
- 🌊 Deliver - Everyone on the team participates, takes initiative and is committed to the common outcome.
- 🌊 Challenge - Asking critical questions relative to the status quo is not foreign for the team and this is accepted and used to improve every day.
- 🌊 Positivity - In the team, colleagues support each other, successes are remembered and celebrated regularly, emotions are seen as a signal and discussed together.

2.4.3 TIMOTHY CLARK - FOUR PHASES

Timothy Clark writes widely on human interaction and innovation. He wrote the book *The 4 stages of psychological safety* in 2020, in which he argues that the modern challenge is not artificial intelligence, but emotional and social intelligence. "People invite and disinvite, include and ex-

clude, listen and ignore, heal and abuse, sanctify and scar." Clark links the spectrum of human needs and behavior to psychological safety. He describes four phases by which a social unit (e.g., a team) can measure psychological safety. The framework consists of two axes: degree of respect and degree of consent. This refers to the respect or permission you receive from the other person to participate. If you do not receive both, you are excluded (see figure 4). You are not seen (exclusion).

Let's take a soccer player in a soccer team as an example to go through the different steps of the framework. If you are not part of the team, you are in the lower left-hand corner of the framework (exclusion). The moment you can become part of the team, you go to phase 1 (inclusion safety): you are admitted to the team. Not once, but structurally, you are involved in training sessions, consultations, etc.

Then comes phase 2 (learner safety), where you feel safe to learn, ask questions, experiment and maybe even dare to make a mistake. You no longer stand on the sidelines, but participate. You may be able to fill in, or sometimes play a whole match, though you might still spend some time on the bench. The group allows you to participate more

The 4 Stages of Psychological Safety

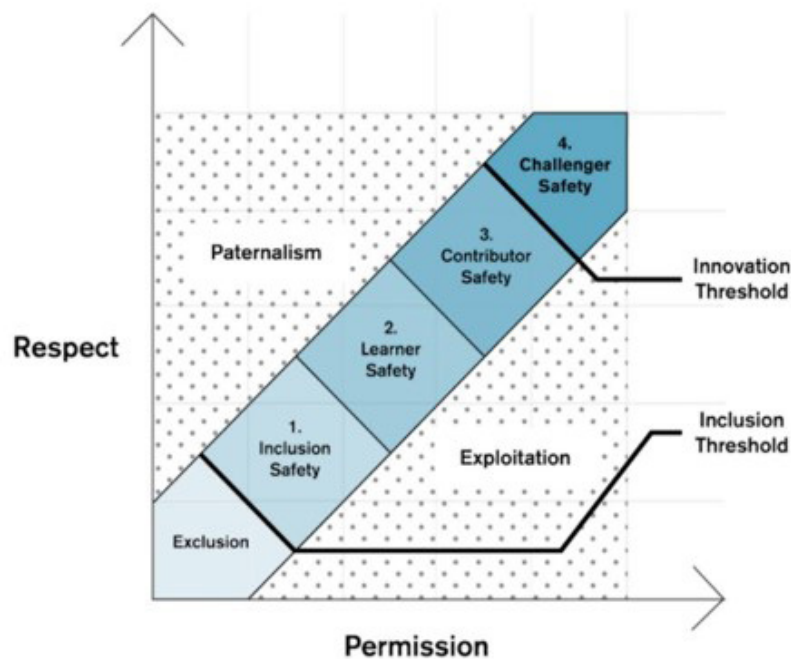


Figure 4. The path from inclusion to innovation. Framework Timothy Clark - psychological safety

even though you are not yet contributing fully to the team's performance.

The moment you do, you are in phase 3 (contributor safety). As a soccer player, you are then in the starting lineup, you are a valuable force. As you show more of yourself, you get more autonomy to contribute.

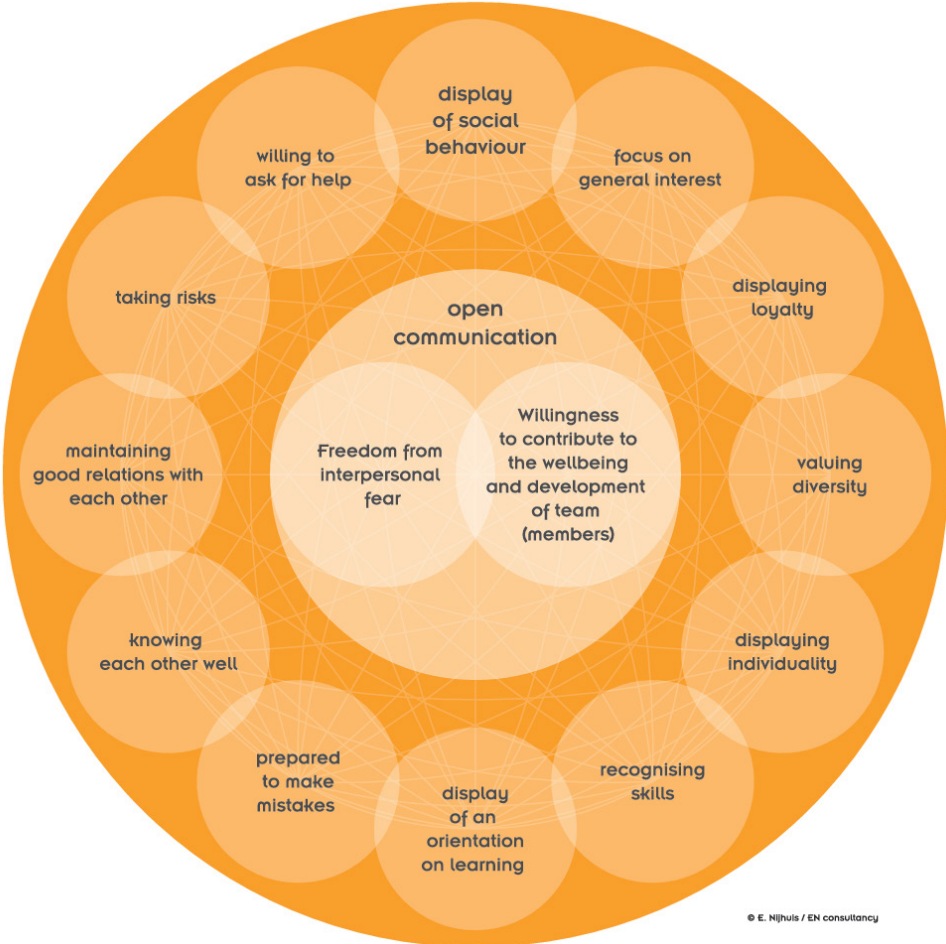
To achieve innovation with a group, you must reach stage 4 (challenger safety): be able to challenge the status quo without risk of losing your position or reputation. In other words, an open and safe climate to engage with each other about the way things are going. The soccer player who dares to challenge the coach on choices made, or dares to tell his captain or team member the truth in a constructive manner. "Challenger safety is a license to innovate," says Timothy Clark, inviting leaders to make Stage 4 the norm in organizations and teams.

Do you get respect but not permission? Then you fall into the category of limiting your freedom or autonomy (paternalism), a breeding ground for cynicism and disconnection rather than connection. Then you are the soccer player who is told that you will soon be in the starting lineup but must always sit on the bench. The other way around is also possible, that you get the permission but not the respect of the other. Then you are in the category of exploitation, in which the value you provide is demanded but not appreciated. Then you are the soccer player who is in the starting lineup, but never appreciated for your efforts. Timothy Clark argues that the most important task of a leader - besides creating a vision and setting a strategy - is to take on the role of social architect and give people the respect and permission to: 1) feel welcome, 2) be allowed to learn, 3) contribute, 4) innovate.

Auditors can use Timothy Clark’s framework to understand the level of psychological safety in teams. By asking auditees and involved stakeholders about the degree of respect and permission they experience, the current level of psychological safety can be estimated. To what extent do people feel the space to ask questions and do they do so? To what extent is the status quo being challenged? Observing group discussions (e.g., team meetings, MT meetings, project team meetings) can also provide many insights if you use Clark’s framework.

2.4.4 ELMIRA NIJHUIS – TWELVE INTERACTIONS

Elmira Nijhuis’ interaction model focuses on open communication and identifies 12 interactions that promote psychological safety, adding dimensions to psychological safety such as the will to contribute to the common good of the team (see Figure 5). The interaction model is based on board-level (C-level) research, but useful for all teams.



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Figure 5. Elmira Nijhuis’ interaction model.

3. How to audit psychological safety

This chapter discusses auditing (or researching) psychological safety. The goal is to provide practical guidance on various forms of auditing psychological safety. Which audit is appropriate depends on the situation and the contribution expected from the audit. The type of audit is then in strong determinant of the models and techniques that can best be used in the process. This chapter discusses successively:

- 🌐 the different types of psychological safety audits;
- 🌐 the reference models that can be used in the process;
- 🌐 matching data collection techniques.

We conclude with some case descriptions that can be seen as good practices.

In this publication, we assume that internal auditors will use the tools provided to arrive at an operationalization that fits the research question, the context and the specific need in the organization.

3.1 Types of audits of psychological safety

We distinguish two types when it comes to the question: why do you do the audit? Namely, the problem identifying audit and diagnostic audit.

Problem identifying audit

The problem identifying audit focuses on whether the actual situation meets the criteria set for it, or whether it's not and there is a problem. The reason for such an audit can be a signal, but it can also be carried out "preventively". In the latter case, the audit is conducted because psychological safety is a critical factor for the organization and the board and/or management seek additional assurance regarding it.

A problem identifying audit of psychological safety can take place as part of a broader audit of the effectiveness of control (as one of the audit variables), or as a theme audit specifically focused on the topic of psychological safety.

Within the problem identifying audits, two objects can be distinguished:

- 🌐 employees' perceived psychological safety;
- 🌐 its control or assurance, that is, looking at the presence (design and functioning) of the factors that determine (perceived) psychological safety.

These two objects have their own models and techniques. Incidentally, the same models and techniques can also be used in a descriptive study of those objects. In that case, the actual situation is described without giving an opinion about it. For example, this may be opportune if the internal auditor is asked to provide input for further discussion and decision-making by the client.

Diagnostic audit

The diagnostic audit looks at the causes of an already identified problem. For example, examining the causes of a problem in team performance, learning ability or high turnover, and examining psychological safety as one of the possible causes. In terms of purpose, this is similar to the possible root cause analysis at the end of a problem identifying audit. A diagnostic audit is appropriate when a problem is evident, but the exact causes are uncertain. Identifying these causes clearly is essential for effectively addressing the problem.

Within the diagnostic audits, we distinguish two forms:

🌈 A diagnostic audit with a predefined perspective, with predefined evaluation criteria. In this case, the possible causes are specified in the preparation. Then, first it is assessed whether these factors are present indeed, and if they are, secondly whether these are the determining factors, meaning there is a causal relationship between the factor(s) and the problem.

The advantage of this method of research is that you can quickly and specifically get started with a model that has proven its value. Because you define in advance what you do (and therefore do not) take into account, the choice of model is important. This audit can largely use the same models as in the problem identifying audit into the control or assurance of psychological safety.

🌈 A behavioral audit, on the other hand, works without predetermined framework or evaluation criteria. This is also known as a form of inductive research. It's used because predefined criteria can act as blinders, creating the risk of overlooking the actual causes. This form of research is especially important when the causes are deeper and more difficult to determine. In the behavioral audit, there is a more in-depth focus on behavior and its underlying factors: the underlying assumptions and mental models such as unconscious thoughts, beliefs, perceptions and feelings.

Furthermore, it is important to consider whether a “judgment” about psychological safety is desirable, necessary or productive. This may not be the case, for example, if the purpose of the research is primarily to provide input for a team discussion, where the interpretation is done by the team itself.

Psychological safety may be a subject that warrants a person-centered research. These researches require a specific approach and expertise. This is not covered in this publication, we therefore look at psychological safety as an organizational or team characteristic.

3.2 Research models psychological safety

In Chapter 2, in addition to the definition and importance, several frameworks or models for psychological safety that are useful for internal auditors already were described. In this section, these models are further elaborated, or operationalized, to be used as evaluation criteria in audits. The following models are discussed in turn:

- 🌈 four variables of psychological safety according to Amy Edmondson;
- 🌈 Big Five characteristics by Hans van der Loo and Joriene Beks;
- 🌈 four stages of psychological safety Timothy Clark;
- 🌈 Interaction model by Elmira Nijhuis;
- 🌈 PDSA cycle around psychological safety;
- 🌈 behavioral auditing.

The first four models focus on measuring psychological safety itself, the PDSA model describes its control or assurance, and the last model outlines a way of research without predefined evaluation criteria.

The models mentioned in this publication can be used to define the evaluation criteria in an audit that is (entirely or in part) focuses on psychological safety, or to add some elements to regular audits. When considering the latter as an auditor, it is important that there is a substantiated hypothesis based on previous signals and the appropriate elements are added to it.

The models can serve both for a problem identifying audit and a diagnostic audit. When you want to know from a strategic perspective whether there is a problem with psychological safety, the models provide quick insight. When you already know on the basis of signals that there is insufficient psychological safety, the models provide you tools to discover with which variable the problem is mainly related to. This allows you to give management and/or employees actionable perspectives to improve performance organization-wide.

3.2.1 AMY EDMONDSON

In her studies, Amy Edmondson uses a mix of different research methods to achieve neutral and reliable outcomes. These research methods are well-suited themselves to be operationalize into evaluation criteria or a research model for internal auditors. See *Table 1* for a detailed description as a basis for an audit of psychological safety.

Variable	Interviews	Surveys	Observation
Willingness to help and teaming	<ul style="list-style-type: none"> When do you experience willingness from others to help? 	<ul style="list-style-type: none"> It is difficult to ask other members of the team for help No one on this team would deliberately act in a way that undermines my efforts 	<ul style="list-style-type: none"> Offers help
Inclusion and diversity	<ul style="list-style-type: none"> How do you make sure others are appreciated? How do you feel about diversity and inclusion within this organization? 	<ul style="list-style-type: none"> People on this team sometimes reject others because they are different Working with members of this team my unique skills and talents are valued and utilized. 	<ul style="list-style-type: none"> Provides guidelines for discussion Ensures everyone has the opportunity to contribute
Attitude about taking risks and making mistakes	<ul style="list-style-type: none"> What makes you dare to take risks or make mistakes? 	<ul style="list-style-type: none"> If you make a mistake on this team, it is often held against you. It is safe to take a risk in this team 	<ul style="list-style-type: none"> Acknowledges gaps Offers apologies Seeks for opinions and suggestions from others Shows lack of knowledge
Having open conversations	<ul style="list-style-type: none"> When are you able to bring up problems and difficulty issues? Have you ever expressed your own (different) opinion? How is that handled? What was the effect of that? Can you give an example? If not, why not? 	<ul style="list-style-type: none"> Members of this team are able to bring up problems and tough issues. People in this department prefer not to share information about what doesn't work and what does work 	<ul style="list-style-type: none"> Corrects when someone interrupts the other person while speaking Acknowledges the other Thanks the other for input Compliments Asks good questions (open, asks for information, without judgment, seeks clarification) Demonstrates 'real listening'

Table 1. Elaboration of evaluation criteria based on Amy Edmondson

In addition, as an internal auditor, you can re-search whether leaders are using the indicated tools for building psychological safety in practice, and identify where they still have opportunities to enhance psychological safety (see Table 2).

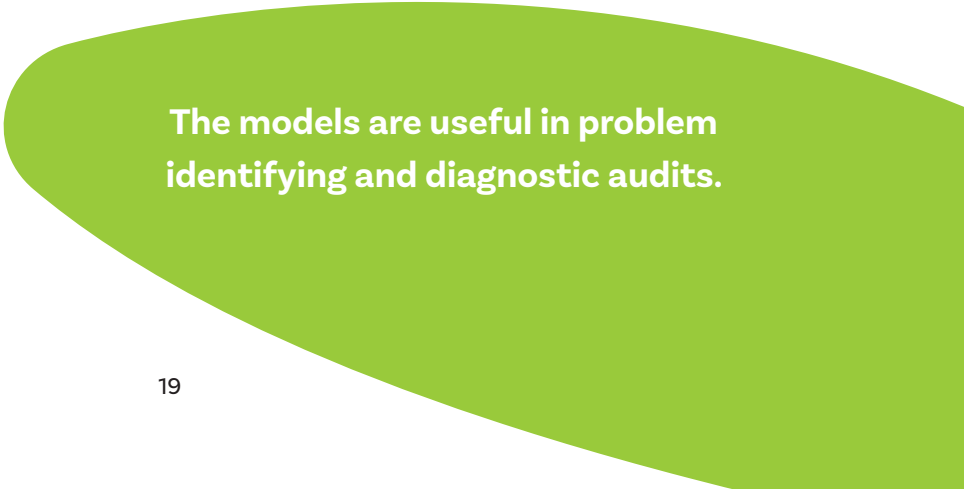
Category	Preparing the way	Inviting participation	Reacting Productively
Leadership tasks	<p>Create a framework for work</p> <ul style="list-style-type: none"> Share expectations about failure, uncertainty and interdependence to clarify the need to speak up <p>Emphasize the goal</p> <ul style="list-style-type: none"> Highlight what is at stake, why it is important and for whom 	<p>Show humility in situations</p> <ul style="list-style-type: none"> Acknowledge gaps <p>Ask questions</p> <ul style="list-style-type: none"> Ask good questions Show that you are truly listening <p>Bring structure and put processes in place</p> <ul style="list-style-type: none"> Create forums for input Provide guidelines for discussion 	<p>Expressing your appreciation</p> <ul style="list-style-type: none"> Listen Acknowledge and thank <p>Avoid stigmatizing failure</p> <ul style="list-style-type: none"> Look Ahead Offer help Discuss, consider and brainstorm further steps <p>Punish clear violations</p>
Processes	Shared expectations and meaning	There is trust that speaking up is welcomed	Orientation towards continuous learning

Table 2. Tools for building psychological safety (Amy Edmondson)

3.2.2 HANS VAN DER LOO AND JORIENE BEKS

The 2020 book *Field Guide to Psychological Safety* provides many tools for designing evaluation criteria based on the Big Five characteristics of psychological safety appropriate for the organization. See Table 3 for an example, including the elaboration to various research methods.

In section 3.4 there are two case studies descriptions that used the Big Five characteristics through a growth model.



Variable (Big five)	Variables	Observation points	Possible interview questions
Inclusion	<ul style="list-style-type: none"> • Collaborate • Participate • Being valued • Involvement • Engagement 	<ul style="list-style-type: none"> • Diversity of the group • Respect and consideration for each other • Degree of listening to each other • Equality in the group • Distribution of speaking time 	<ul style="list-style-type: none"> • Does everyone feel at home? • Is everyone accepted as they/they are? • ...? • ...?
Share	<ul style="list-style-type: none"> • Openness • Curiosity • Sharing of opinions • Acknowledgement and discussing mistakes • Continuously wanting to improve 	<ul style="list-style-type: none"> • Atmosphere of sharing • Degree of sharing opinions • Dealing with mistakes • Feedback methods and dealing with disagreements 	<ul style="list-style-type: none"> • Can you freely express your opinion on issues and problems? • Are mistakes seen as learning opportunities? • ...? • ...?
Delivering	<ul style="list-style-type: none"> • Performing • Results • Full participation • Commitment • Involvement • Wanting to make a difference 	<ul style="list-style-type: none"> • Clarity about guidelines and goals • Everyone's contribution • Discussing progress • Achieving goals individually or together 	<ul style="list-style-type: none"> • Does it feel safe to take risks? • Are your unique qualities being utilized and appreciated? • ...? • ...?
Challenge	<ul style="list-style-type: none"> • Challenging the status quo • New ideas • Naming problems • Offering solutions • Opportunities for change/innovation 	<ul style="list-style-type: none"> • Degree of introducing new ideas, feedback and solutions • Response to contributions • Way of giving and receiving feedback • Creativity 	<ul style="list-style-type: none"> • Is it appreciated when you suggest new ideas? • Is it encouraged to push through existing boundaries? • ...? • ...?
Positivity	<ul style="list-style-type: none"> • Work happiness • Job satisfaction • Resilience • Support 	<ul style="list-style-type: none"> • Discussing emotions • Degree of cheerfulness and enthusiasm • Atmosphere amongst team members • Celebrating successes • Compliments each other • Positive communication 	<ul style="list-style-type: none"> • Is there a positive atmosphere? • Can you easily ask others for help? • ...? • ...?

Table 3. Elaboration of evaluation criteria based on the Big Five characteristics

3.2.3 TIMOTHY CLARK

Timothy Clark's model is a good starting point if, as an auditor, you want to provide insight into the stages of psychological safety in a team. See Table 4 for the four stages of psychological safe-

ty, the corresponding central question and Top 5 behaviors appropriate to the stage, and the corresponding research method. The behaviors indicate whether they pertain to an individual (I), team (T), or leader (L).

Phase	Central question	Top -5 behaviors	Research method
Inclusion safety	How do you ensure others feel involved?	<ul style="list-style-type: none"> • Listen and pause (I) • Ask twice as much as you talk (L) • Express gratitude and appreciation (I) (T) (L) • Avoid comparison and competition (T) • Practice inclusion as a human need and right (L) 	Interview (questions focused on phase 1) and observation of the team (using an observation scheme)
Learner safety	How do you ensure others feel safe and motivated to learn?	<ul style="list-style-type: none"> • Share what you learn (I) • Frame problems before you solve them (T) (L) • Share past mistakes with each other (I) (T) (L) • Spend time and resources on learning (L) • Foster a student mentality (I) (L) 	Interview (questions focused on stage 2) and observation of the team (using an observation scheme)
Contributor safety	How do you ensure others feel safe to contribute and make a difference?	<ul style="list-style-type: none"> • Celebrate small wins (I) (T) (L) • Ask people what they think (I) (T) (L) • Shift from telling to asking (L) • Help others see their strengths (I) (T) (L) • Acknowledge achievements (L) 	Interview (questions focused on stage 3) and observation of the team (using an observation scheme)
Challenger safety	How do you ensure others feel safe to innovate and make improve things?	<ul style="list-style-type: none"> • Take the last turn in speaking (L) • Encourage others to think beyond their roles (T) (L) • Address the fear button (L) • Respond constructively to disruptive ideas and bad news (I) (T) (L) • Model the art of disagreement (L) 	Interview (questions focused on stage 4) and observation of the team (using an observation scheme)

Table 4. Elaboration of evaluation criteria based on Timothy Clark

3.2.4 ELMIRA NIJHUIS

In Elmira Nijhuis' model, the twelve interactions provide a good starting point to operationalize and design evaluation criteria. A central question based on Elmira Nijhuis' definition (see section 2.1.) can be: to what extent do the team members in

[team x] feel free from interpersonal fear, and is there a willingness to contribute to the well-being and development of the team and its members? See *Table 5* for further elaboration of the model into variables and sub-variables.

Variable (interaction)	Definition of interaction according to Elmira Nijhuis	Possible sub-variables
Prosocial behavior	Supporting each other during vulnerable life phases, collaborating effectively, willingly taking over each other's work, celebrating successes together, standing up for each other in the team, helping each other with solutions, and treating each other as you would like to be treated.	<ul style="list-style-type: none"> • Supports • Collaboration within the team, • Celebrating successes • Dealing with problem solving • Presence of group norms
Common interest	Prioritizing the common good, focusing on the collective ambition, being willing to see the broader perspective, personal problems are addressed as collective problems.	<ul style="list-style-type: none"> • Common and individual interest • Presence of common ambition • Solving individual problems together
Loyal behavior	Standing up for each other outside the team, trusting each other's discretion, not letting themselves be played off against each other	<ul style="list-style-type: none"> • Standing up for each other, including outside the team • Having trust in the team • Dealing with information
Valuing diversity	Appreciating each other's individuality, utilizing each other's skills, encouraging the other to express a differing opinion, exploring differences in opinions together	<ul style="list-style-type: none"> • Dealing with each other's skills, talents and knowledge • Inviting and incorporating different perspectives
Showing authenticity	Personal identity, being authentic, being oneself, embodying values/norms	<ul style="list-style-type: none"> • Space for personal identity and authenticity • Room to be yourself in the team • Presence of norms and values
Knowing skills	Recognizing and valuing talents and skills	<ul style="list-style-type: none"> • Dealing with talents and skills • Valuing talents and skills
Learning orientation	Discussing mistakes to learn from them, showing self-reflection, being accountable for mistakes, giving advice with space for the other person, evaluating together afterward why things were not expressed, and resolving to speak up next time.	<ul style="list-style-type: none"> • Discussing and addressing mistakes • Presence of and degree of self-reflection • Giving mutual advice • Speaking up and evaluation in the team
Daring to make mistakes	Room to make mistakes, openly discuss mistakes, and view mistakes as part of growth.	<ul style="list-style-type: none"> • Room for mistakes • Room for discussing mistakes • Making mistakes and discussing them as part of growing
Knowing each other well	Building personal relationships with each other, maintaining informal contact, knowing each other's private settings, and spending time together.	<ul style="list-style-type: none"> • Forms of interactions and contacts within the team, including on a personal level
Interpersonal relationships	Having a mutual bond, sharing the same background, having mutual trust, no tension in the relationship, group pressure, becoming less critical.	<ul style="list-style-type: none"> • Mutual ties in the team • Degree of confidence • Degree of tensions • Presence of peer pressure • Room for feedback
Taking risks	Daring to take interpersonal risks	<ul style="list-style-type: none"> • Degree of interpersonal risk-taking
Asking for help	Feeling free to ask for help, accepting help, feeling comfortable admitting when you don't know something and asking for assistance.	<ul style="list-style-type: none"> • Room to ask for help and accept help • Room to be vulnerable

Table 5. Elaboration of evaluation criteria based on Elmira Nijhuis

3.2.5 3.2.5 PDSA CYCLE AROUND PSYCHOLOGICAL SAFETY

The aforementioned models are aimed at measuring the (perception of) psychological safety. The PDSA model focuses on guiding and securing the governance of psychological safety. This model was developed by Erik Pothast, based on his experiences conducting investigations into various governance issues. An audit of governance can be conducted independently, but also in combination with a study on the perception of psychological safety based on one of the previously mentioned models.

PDSA is defined by Deming as the successor to the well-known PDCA cycle: a continuous process of Preparation (Plan), Execution (Do), Measuring and Evaluation (Study) and Adjustment (Act). The premise is that the (sustained) effective functioning of psychological safety within a team and the presence of psychological safety are not a coincidence. Achieving this requires continuous attention, steering, and the establishment of governance measures around psychological safety. This includes:

- Setting (ambitious) goals regarding the desired level of psychological safety. But also working

on shared values, and elaborating them into other (instrumental) measures. This requires the attention of an organization's management.

- Measuring and evaluating the degree of psychological safety to gain insight into its the presence and any potential problems or risks.
- Implementing additional and/or compensating measures at the team level and organizational measures to support psychological safety within teams or adjusting goals.

See *Table 6* for conducting an audit on the governance of psychological safety within an organization, with the relevant criteria for each phase of the PDSA cycle.

The auditor assessing governance will include all four phases in the examination. From the organization's perspective, the audit can be an important part of the STUDY phase. For example, by assessing whether all measures are actually effective and what the actual perception of psychological safety is amongst the employees.

The premise is that the (sustained) effective functioning of psychological safety within a team and the presence of psychological safety are not a coincidence.

Phase	Evaluation criteria
PLAN	<ul style="list-style-type: none"> • There is a goal and principles and success factors have been identified regarding psychological safety. For example: <ul style="list-style-type: none"> - The need to speak up is clearly stated - This is known to the employees • Psychological safety is included in the risk analysis and measures are identified • There is a plan and elaboration of concrete measures focusing on realizing psychological safety within teams and achieving a psychologically safe environment. For example: <ul style="list-style-type: none"> - The organization and teams have worked out the characteristics of a psychologically safe work environment specifically for the workplace and/or team - Appropriate measures have been developed to support a psychologically safety work environment, focusing on; organizing meetings, effective meetings, working together, encouraging speaking up - HR measures have been developed that support the psychologically safe work environment, focused on the development of leaders - A framework for failures has been developed that distinguishes between undesired failures and failures seen as learning opportunities, to share with each other - There is sufficient expertise on psychological safety within the organization or this is organized in another way - There is a complaints procedure for internal and external complaints
DO	<ul style="list-style-type: none"> • The measures taken have actually been implemented and are being carried out • The direct supervisor is aware of their role, knows what actions to take and receives coaching in it. • Within HR processes, attention is paid to achieving a psychologically safe environment • There are several opportunities for the team to meet (including physically) and to interact with each other • The direct supervisor leads by example • Meeting discipline is monitored • Employees are motivated to participate • Team members speak up and ask each other questions • Mistakes, learning opportunities and successes are shared with each other
STUDY	<ul style="list-style-type: none"> • The effectiveness of the measures taken is being examined • Alongside measuring the effectiveness of the measures taken, an evaluation is conducted to determine if the established goals have been achieved. The team evaluates the level of psychological safety perceived. For example, this can be part of a broader employee survey. • Signals derives from other processes, reports and complaints are examined for possible indications related to psychological safety.
ACT	<ul style="list-style-type: none"> • Based on the results of the STUDY phase, adjustments are made to the measures and goals of psychological safety. • In the adjustment, consideration is given to the impact of possible actions on psychological safety • In addition to setting substantive (ambitious) goals in the organization's policy and strategy, there is also an emphasis on setting goals for psychological safety within teams. • Leadership takes timely action on signals regarding psychological safety within the organization.

Table 6. Elaboration of evaluation criteria based on PDSA model

3.2.6 BEHAVIOURAL AUDITING

The research models mentioned above provide a starting point when you want to conduct a problem identifying audit via a deductive inquiry. Your starting point is then a standard, a frame of reference or a hypothesis. This approach is straightforward and relevant if the model is robust, but there is also a risk: you put on certain blinders. As Burke writes, “A way of seeing is also a way of not seeing.” Inductive research is used when you want to develop a theory. It is a bottom-up research method and can help auditors learn more about something by looking at it more deeply and identifying patterns. This method reveals complex phenomena like psychological safety that may not become apparent if you use a deductive design.

Behavioural auditing is an auditing method with roots in the social sciences. It enables internal auditors to uncover mental models, assumptions and motives within organizations. It aims to be a tool for reflection, deep learning and evaluation of root causes, striving for ‘double loop learning’ (Otten & Van der Meulen, 2013). It reveals what is truly happening in organizations, explaining why people act and think as they do. Section 3.4 provides an example of a behavioral audit in the casus Sure bv.

3.3 Research techniques

In this section, we describe the techniques that are suitable for a study of psychological safety. We focus particularly on the specific points of consideration, both in selection (when is what applicable) and in application. The following techniques are discussed:

- 📄 document research;
- 🗣️ interviews;
- 📊 surveys
- 👁️ observation;
- 📄 reporting.

Each technique has advantages and disadvantages, for which we refer to more general literature on the subject. Here, we specifically indicate how the various techniques can be used for researching psychological safety.

Measuring behavior and experiences (reliable and valid), including psychological safety, is not easy. Therefore, for psychological safety, the general “research measures” to do it properly apply: the operationalization of behavior into practical as well as valid indicators and using both source and method triangulation. By method triangulation, we mean using two or more methods to assess the same behavioral aspect, drawing a conclusion only when the results of these methods confirm each other.

3.3.1. DOCUMENT RESEARCH

Organizations have documents available that can provide insights into psychological safety in teams. An important source of information, for example, is the outcome of an employee satisfaction survey (ESS).

No ESS is the same, so it is important to select questions that address themes related to psychological safety, such as the willingness to help each other, inclusion and diversity, attitudes toward risk-taking and making mistakes, and open communication. These four variables are derived from Amy Edmondson (2018). What do the overall outcomes indicate? Are there open-ended

responses that touch on these themes, and is there a common thread to be found? It is also important to analyze the differences between teams or organizational units, as that psychological safety can vary by team/organizational unit. Pay attention to the response rate of completed surveys. Examine what causes this. A low response rate, for example, can indicate an issue with psychological safety, but it may also have other causes. A risk is that the outcomes may reflect 'strategic' responses, especially when there is a high degree of traceability to an employee.

Absence and turnover rates from HR reports can also provide interesting angles. If there is high absenteeism or high turnover within the organization, this may be a sign that people do not feel heard and/or seen. Are there departments where absenteeism or turnover is significantly higher than in other departments? What explanations are there for this? There can be a difference between reported explanations and the actual experiences of the people involved. Of course, there is no one-to-one relationship between these figures and psychological safety; there can be many other factors contributing to high absenteeism or turnover. Similarly, percentages that meet the benchmark do not directly indicate that everything is going well. In some sectors, psychological safety may be more compromised by factors such as power versus dependence and by high work pressure, such as in hospitals and in the entertainment industry. An additional discussion with HR, a confidential advisor or occupational physician can often provide more context to the figures.

In addition, findings from previous research and audits may be valuable. Is there a common thread to be found that touches on themes related to psychological safety? Have internal auditors received "off the record" information or informally picked up insights during previous engagements? If so, it is important to analyze this. If soft controls

are being investigated in the organization, you can conduct a common-thread analysis and apply the theory of psychological safety to discover whether the common thread reveals signals about the degree of psychological safety.

Consider also reports from confidential advisors, record exit interviews or news reports in the media (about your own organization or from the industry). This documentation and similar records can provide an indication of whether there are issues related to psychological safety, but they often do not provide insight into the deeper underlying causes.

3.3.2. INTERVIEWS

Interviewing is one of the most important ways to collect data on psychological safety because you are researching people's perceptions and beliefs. Interviews have the advantage speaking to people face to face, asking follow-up questions, and simultaneously observing them.

There are different ways of conducting interviews. The most commonly chosen method by internal auditors is the semi-structured interview. This method is especially suitable for an audit with predefined evaluation criteria. For interviews on psychological safety, you can derive the topics from the reference models mentioned in the previous section. From this you can build an interview protocol in which you formulate opening questions per topic that are broad and open-ended (how, why, what, when, who?).

Taking Amy Edmondson's theory with the four variables of psychological safety as an example, you could include questions such as: When do you experience a willingness from others to help? What makes you feel safe to take risks or make mistakes? How do you ensure that others feel valued? How do you view diversity and inclusion within this organization? When are you able to bring up problems and difficult issues?

Another suitable method is qualitative interviewing (also called in-depth interviews). Here, the interviewer aims to achieve greater depth and uncover the personal motivations and principles and values underlying the actual behavior. This method of interviewing is well-suited in behavioral audits, diagnostic audits and other research without predefined evaluation criteria, such as root cause analyses. By engaging in a reflective conversation, people become aware of why they do what they do, think what they think, and why it is important to them.. An additional benefit is that this can provide a basis for realizing improvements. This technique is characterized by asking open-ended questions and probing further without a specific direction.. It is important not to ask judgmental question or incorporate theme’s in the line of questioning, but to listen and inquire free from judgement.

3.3.3 SURVEYS

Surveys or questionnaires are also suitable techniques for studying psychological safety. You can reach a large group, offer anonymity, and it is less of a burden for the auditee than an interview. Survey results can indicate whether there is a problem regarding the degree of psychological safety in teams. However, constructing a valid questionnaire is not an easy task, and proper data interpretation is essential. We advocate using validated questionnaires, such as Amy Edmondson’s survey, (without making adjustments to it).

Amy Edmondson and her research team use a scientifically validated survey with seven questions. In her studies, she used different questionnaires to assess psychological safety. The questions in *Table 7* have been extensively applied and tested and scientifically validated (Amy Edmondson, 2018). The questionnaire included both positively and negatively (R) framed questions.

Question	Variable
1. If you make a mistake on this team, it is often held against you. (R)	C. Attitude to risk and failure
2. Members of this team are able to bring up problems and tough issues.	D. Open conversation
3. People on this team sometimes reject others for being different. (R)	B. Inclusion and diversity
4. It is safe to take a risk in this team.	C. Attitude to risk and failure
5. It is difficult to ask other members of this team for help. (R)	A. Willingness to help and teaming
6. No one on this team would deliberately act in a way that undermines my efforts.	A. Willingness to help and teaming
7. Working with members of this team my unique skills and talents are valued and utilized.	B. Inclusion and diversity

Table 7. Questionnaire Amy Edmondson

This questionnaire can be distributed by the internal auditor within the organization, considering (as with any survey) the size and representativeness of any sample, along with a good invitation and introduction to ensure representative response rate. With a sufficiently large sample, you can analyze it. Which four themes score high or low? Is there a difference between teams, business units, gender, years of service? If you want to include this analysis, make sure to include the relevant demographic questions.

3.3.4 OBSERVATION

Observation is a form of primary data collection used to consciously, purposefully, and systematically observe behavior. It is the only method to gain firsthand knowledge of someone's actual behavior. When it comes to psychological safety, the literature offers many tools for observation.

It is important to determine accurately in advance the objective of the observation, the main and sub-questions you want to answer, and which behavioral categories you distinguish. There are also choices to be made regarding where, by whom, when and for how long the observations will be conducted. How do you want to record the behavior (writing it down, tallying, filming)? And it is important to choose between event sampling (counting occurrences or rating - 'often', 'sometimes', 'not'), or time sampling (which time interval). There are structured and unstructured observation approaches. Furthermore, you can choose participatory observation: observing while being part of the situation yourself, or non-participatory/descriptive observation: observing without being part of the situation.

To observe and report reliably, it is important to check if an observation scheme for the "target behavior already exists. Amy Edmondson (2018; pp. 196/ 197) has included a self-assessment questionnaire that can easily be converted to an ethogram and observation form. If your goal is to observe whether leaders exhibit behaviors from the set "Tools for Building Psychological Safety", you can use this set. Timothy Clark has also specified very concrete behavioral characteristics for both leaders and employees for each stage that can be easily converted to observation criteria.

An ethogram and an observation form based on Amy Edmondson are shown in *Table 8* and *Figure 6*. In this example, the positive behaviors have been listed, but negative behaviors can also be important, such as interrupting people, being directive, one-way communication, dominating the conversation or giving an opinion yourself first.

You can see in the form that we choose a structured observation method with a five minute time interval, a department meeting as the measurement moment and the leader as the focal person.

Observation is a form of primary data collection used to consciously, purposefully, and systematically observe behavior.

Category	Aspect	Behavior	Abbreviation
1. Preparing the way	Create a framework for work	<ul style="list-style-type: none"> Shares expectations about failure, uncertainty, and interdependence to clarify the need to speak up 	exp
1. Preparing the way	Emphasize the goal	<ul style="list-style-type: none"> Mentions what is at stake, why it is important and for whom 	gl
2. Inviting participation	Show humility in situations	<ul style="list-style-type: none"> Recognizes gaps Apologizes Asks for opinions and suggestions from others Shows lack of knowledge 	ga ap op/sug kno
2. Inviting participation	Ask questions	<ul style="list-style-type: none"> Asks good questions (open, asks for information, without judgment, asks for clarification) Demonstrates genuine listening' 	que lis
2. Inviting participation	Bring structure and initiate processes	<ul style="list-style-type: none"> Provides guidelines for discussion Ensures everyone has a chance to provide input 	gui inp
3. Responding productively	Show appreciation	<ul style="list-style-type: none"> Acknowledges the other Thanks the other for input Compliments 	ack thank comp
3. Responding productively	Prevent stigmatizing failure	<ul style="list-style-type: none"> Looks ahead Provides assistance Discusses further steps Brainstorming Considering 	loo he ste br con
3. Responding productively	Punish clear violations	<ul style="list-style-type: none"> Corrects when someone does not allow the other person finish speaking (..) 	corr

Table 8. Ethogram based on Amy Edmondson

Observation Form Psychological Safety

Instructions: Give a rating on each of the eight aspects of the target person in 5-minute intervals. Give the ratings on a 5-point scale (1 = not at all; 5 = very much). A total of 12 x 5 minutes (1 hour) can be observed on this form.

Date:	Start time observation:	End time:
Observed person:	Observer:	
Place:	Condition:	

Interval number:	1	2	3	4 ... 9	10	11	12	Total
------------------	---	---	---	---------	----	----	----	-------

Create a framework for work
Emphasize purpose
Show humility
Ask questions
Provide structure
Express appreciation
Deal with failures
Punish violations

Figure 6. Observation form based on Amy Edmondson

3.3.5 REPORTING

When the fieldwork phase is over, it is important to report the findings in a way that makes them understandable, accepted, and actionable. In short, the report, as in any audit, must add value. Psychological safety is sometimes a sensitive subject, so there are several additional considerations for reporting.

From experience, we know that a depiction of psychological safety is not always immediately recognized by the client. The perceptions of people with a certain level of power, status or position (read: the client or auditee) may differ on this subject from those in a more dependent position. As authors, we recognize the statement, “I can’t imagine that at all, because I’ve never experienced anything like that myself,” while your research data shows the opposite. The auditor must be mindful of this during the audit preparation. If this is assessed as a real risk, the auditor can discuss it and properly explain the significance of what is being researched.

Report factually and without being too assertive. Especially with this subject, it is crucial to consider: how can I ensure that the information I present, based on solid research, is accepted and acted upon by the commissioning party?

It is advisable to exercise caution in making overarching judgments. It is difficult to demonstrably establish that the entire organization is psychologically safe or unsafe. For example, write, “Employees in department X currently experience psychological unsafety, the effect of which is...”. Or stick to descriptions at the variable level, and provide evidence from your research data.

The description of reports in a behavioural audit are in Sure bv’s case study in section 3.4. In problem-signaling research in the deductive form, we recommend the following:

- 🌍 Provide rich and detailed descriptions of circumstances, situations, mechanisms.
- 🌍 Report specifically based on the variables and criteria defined in the preparation, avoiding general and meaningless terms such as culture, attitude and behavior.
- 🌍 Report value-free, without “moral” judgement.
- 🌍 Describe the risk or effect of the elements that do not meet the criteria.

The perceptions of people with a certain level of power, status or position (read: the client or auditee) may differ on this subject from those in a more dependent position.

3.4 Case descriptions DELA, Univé, Production company, Sure bv

We conclude the chapter with a description of several practical studies. These provide guidance and considerations in applying the models and techniques described above.

DELA – audit based on the model of Amy Edmondson

Rationale for the study of psychological safety

Our employees are engaged, integrity-driven and entrepreneurial. These values are deeply rooted in the heart of our cooperative and emphasize how we treat each other and our members.

Psychological safety at work is the belief that the team is safe to take interpersonal risks. That you will not be punished or humiliated if you speak up. It gives employees the freedom to express their ideas, questions and concerns, to make mistakes, and is a prerequisite for growth and results. That is why we conducted a study commissioned by the management on how psychological safety is experienced by DELA employees.

Research question and approach



We conducted a study to gain a better understanding of the mechanisms that ensure a psychologically safe working environment within DELA Nederland. For this study, we conducted interviews with employees and executives spread across the organizational units. These included not only colleagues who had signed up for this study, but also participants we had randomly selected. We conducted these conversations based using examples of real-life dilemmas and then transcribed and harmonized them with the participants.. Subsequently, we coded and analyzed all these conversations using a qualitative data analysis tool.

The basis for the analysis was the mechanisms or tools for leaders described by Amy Edmondson in her book *The Fearless Organization*:

Preparing the way	<ul style="list-style-type: none">• Create a framework for the work: share expectations about failure, uncertainty and interdependence to clarify the need to speak up• Emphasize the goal: highlight what is at stake, why it is important and for whom
Inviting participation	<ul style="list-style-type: none">• Show humility in situations: acknowledge gaps• Ask questions: ask good questions and show that you are genuinely listening• Establish structure and initiate processes : forums for input, guidelines for discussion
Responding Productively	<ul style="list-style-type: none">• Express your appreciation: listen, acknowledge and thank• Prevent stigmatizing failure: look ahead, offer help, discuss, consider and brainstorm about next steps• Punish clear violations

The Delphi study on risk factors and measures against internal undesirable behavior by the Dutch Labor Inspectorate (October 2022) was also included in the analysis.

Consider:

-  Factors related in the organization of work, such as workload and hierarchical culture or organization.
-  Factors related to leadership style and role, such as tolerating undesirable behavior or inconsistent leadership.

In addition, the interviews revealed factors specific to the situation at DELA.

This analysis provided insights into the mechanisms and risk factors that affect psychological safety at DELA Nederland. We presented these insights to the DELA Nederland executive team.







Our experiences

The in-depth conversations in this study offered valuable insights. The inquiry and attention was also appreciated by the interviewees. In addition, using real-life dilemmas helps to add depth to the conversation. The familiarity ensures that employees can easily identify, which benefits the conversation. Given the sensitivity of the topic, we decided to involve the entire internal audit team. This made it easier to adjust the composition of the interview to suit the employee.

Points of attention

For the broadest possible research design, the plan was to conduct both individual and group interviews. After evaluating the first group interview, it was decided to proceed with only individual interviews because participants did not feel free enough to share all their experiences in the presence of colleagues.

We are happy to share some additional tips:

-  Anonymity is often a prerequisite for open conversations on this topic.
-  Ensure a good sponsor within the organization. In our study, the sponsors were the CEO and the director of HR. They also announced and explained the study to all employees.
-  Take time to prepare interviews, select participants, and for scheduling the interviews.
-  Come to an agreement in selecting the dilemmas within the organization beforehand. We involved HR and the confidants in this process.
-  Discussing this sensitive subject can affect the involved employee. Ensure support and a sounding board for participants who need it. Participants in our study could contact confidential advisors or HR for this.
-  Regularly discuss the approach, progress, and initial findings with the sponsor. This keeps the sponsor involved and minimizes surprises in the report.

- 🌍 Ask participants to identify areas for improvement. This not only increases the effectiveness of the follow-up, but makes it easier to include these recommendations in the report to the client.
- 🌍 After consulting with the client, also share the results with other interested parties such as the works council.

Impact

We presented the results of the analysis and our insights to the DELA Nederland executive team. The executive team is taking care to further embed psychological safety in the culture and optimize it where necessary. 🌍

Univé – audit based on the model of Hans van der Loo and Joriene Beks

The preparation (by Ilja Jacobs, audit manager at Univé)

Within Univé, we started to increasingly include behavior and culture as part of audits years ago. Univé is a cooperative of ten independent companies and has no head office/central management. We discuss behavior and culture in our regular meetings with boards of directors and supervisory boards. These are valuable, but sometimes challenging conversations. For example, we receive feedback like, 'What does Audit have to do with behavior? That's not your job! Just do your job first!' From these sometimes difficult conversations comes the motto of this case study. 'auditing psychological safety takes courage'.

In 2022, "integrity" was one of our audit themes. In preparing for this, we immediately said: this audit must focus on behavior and culture. Perhaps we should "do something" with psychological safety. As an audit team, we were already studying the subject of psychological safety ourselves, together with Joriene Beks. We wanted to better understand what psychological safety is, what it contributes to and how to talk about it.

Research question and approach

The theme we investigated was integrity. The research question: to provide insight into the extent to which social and psychological safety contribute to acting with integrity. The model for psychological safety of Hans van der Loo and Joriene Beks was our starting point. Inspired by the insights provided by the growth models, we aimed to create a growth path for psychological safety.

For each of the newest five characteristics of the model of psychological safety (inclusiveness and diversity, open communication, delivering, challenging, resilience), we have described five stages of growth (from passive to intuitive). Think of

passive as doing nothing, reactive as ad hoc action, active as several formal agreements, proactive as partially embedded, and intuitive as natural. We used appropriate wording for Univé, which should be customized for each organization. This became our framework, alongside to the rules and agreements in the context of social safety.

With a standard presentation, videos, et cetera, we went into the organization to create awareness for the audit and to share how we defined psychological safety. We practiced this presentation with each other in the audit team, to experience how to start a conversation about psychological safety. After all, it's different from discussing, for example, processes.. It concerns people; experiences in the organization and their interaction with each other.

We then asked each Board of Directors (BoD) that participated in the audit to plot their organization on the stages of the growth path. This was to gain insight into where the BoD felt they were currently at as an organization and where they want to be.

We considered several techniques. We finally chose to conduct group interviews (four to six employees at a time) with a representative selection of employees (selected by internal audit). We then conducted the interviews with all team leaders and finally with all managers and the BoD. This allowed us to have broad discussions within the organization and talking about their experiences, what those experiences mean, and how they affect the employees.

The group interviews were conducted using questions and cases we prepared in advance. Occasionally, we made our own case study for an organization because a theme clearly emerged (for example, from the employee satisfaction survey).

We collected, analyzed and processed the results of the group interviews in a report: 'what does the organization think, what do we see, what does the organization want?' Based on this, a discussion was held with the BoD and the management team (MT), first to understand the results and then collaboratively develop possible actions. These actions were diverse, depending on the results and management's ambition regarding the characteristics of psychological safety. Sometimes a discussion about the results was sufficient, sometimes three conversations were needed to discuss the results of a report. It is crucial to understand what is stated and where there are opportunities for improvement. If it required more than one conversation to understand the results, we consciously took more time to get to the core.

The report was not a standard audit report so the reader needed to be thoroughly engaged.. According to us, there is no standard approach for this, it is also really about adapting to what the client needs.

Points of attention

We have now conducted the audit at six companies. The most important tip: realize that an audit on psychological safety requires different preparation from the audit team and different preparation with the client. We had multiple conversations with the respective BoD before the audit about what we were going to do, what they considered important, how we could conduct the audit properly, and what the right timing was for this audit. As a team, prepare well for the preparatory conversations and group interviews. These conversations can sometimes be tough, resistance can arise, and colleagues may share intense experiences during the group interviews. Accept that these conversations are sometimes uncomfortable, and does not flow naturally. There are moments when you will face significant pushback. It was often mentioned that this subject is not measurable or does not belong in internal audit. In short, courage is what is needed from both an auditee and the auditor to study the psychological safety in the organization.

Impact on the audit team

This audit cost us a lot of time and energy, but also gave us a lot. We got to know each other better and needed each other as an audit team. In retrospect, we should have set up intervision within the team. There were also conversations where we had trouble sleeping afterwards because the conversations really affected us. The conversation we had as a team after group sessions was sometimes too short to really delve deeper into why something in the interviews touched us. From now on we are going to organize this differently for these types of audits, by including intervision directly with an experienced supervisor and scheduling it every few weeks. The audit provided us with many insights into the organization. Insights that will help us conduct audits better in the future and uncover the causes of findings more quickly. This broadens our horizons and makes us better auditors.

Impact on the client (by Dorothe Beernink, director at Univé Oost)

This analyses gave us a good picture of the level of psychological safety experienced by the employees. The group interviews were valuable because they allowed for real conversation rather than just checking whether there is a policy. By also discussing this with management, we arrived at a more broad supported view. We take the results seriously and want to improve. This is shaped by a change program that focuses on creating a safe and learning environment. 🌍

Production company - audit based on the models of Amy Edmondson and Hans van der Loo and Joriene Beks

Motivation for including psychological safety in the scope of another audit

The topic of psychological safety can be included as a sub-object in an audit on another main object. In this case study, an audit was conducted on safety culture in a production environment. In many industries physical safety is a focus, there is often also a focus on safety culture.

Organizations that certify on the NEN Safety Culture Ladder (SCL) must include safety awareness. The SCL is an assessment method to measure safety awareness and conscious safe behavior in an organization. The levels range from pathological to progressive levels (see Figure 7). The SCL is not only about individual behavior, it also refers to the safety culture that the employees shape together. Because the scope of SCL also includes safety and proactive behavior, the organization thought it would be good to broaden the definition of safety to include social and psychological safety as well.



Figure 7. The steps of the NEN Safety Culture Ladder (SCL).

Research question and approach

Specifically, this meant that SCL standard was supplemented with criteria from Amy Edmondson's research (leadership characteristics and behavior) and the Big Five elements from Hans van der Loo and Joriene Beks. Based on this, a semi-structured questionnaire was created, setting the bar was at level 4, being proactive on the SCL. To gain insight into safety behavior and assess how employees perceived the company culture, group interviews were conducted. The interviews were designed to ensure representation from all levels of the organization.

The content of the group interviews was prepared together with other relevant staff departments and officials. The group interviews were structured as followed:

1. General section - With a basic inquiry about the existing knowledge about safety. This inquiry was conducted using a live tool followed by a dialogue.
2. Social safety section - A basic set with yes-no statements about the extent to which the auditees are familiar with the established social safety system within the organization.
3. Presenting dilemmas - Using dilemmas to inquire about the different themes of physical-, social- and psychological safety (4 responses, linked to the 4 levels of SCL).
4. Dialogue on dilemmas - Dialogue on the dilemmas with room for participants to share their own experience.
5. Improvements and strengths - Room to indicate strengths and improvements on both physical, social and psychological safety.




This approach collected both quantitative and qualitative data. The results of the group interviews were documented and then labeled to trace them back to Amy Edmondson's and the Big Five variables.

Our experiences

The group interviews provided insights that do not automatically surface during a physical safety audit. For these interviews, the audit team spent considerable attention to creating the right conditions so that the auditees felt no barriers in sharing their input, experience and opinions. The auditees appreciated the opportunity to speak openly and also emphasized the importance of the topic of health and safety. The involvement of the auditees was significant, and they were interested in the results.

The report was comprehensive and described from the SCL themes, supplemented with other themes. The results of the audit were taken seriously and discussed several times with relevant stakeholders. Be aware that some findings can be hard to accept when put in black and white and may affect other staff departments.

Points of attention

-  Establish a multidisciplinary team that includes relevant experts such as a confidential advisor and integrity officer.
-  The preparation takes more time than a normal audit in terms of planning, organizing, inviting and communicating about the audit, as this audit sought to represent a cross-section of the organization and teams.
-  Ensure a support system for the audit team. Sensitive issues may arise from the conversations that can affect you personally. Establish a rhythm for this that you can rely on each other and delve deeper into discussions.

- 🌐 Engage various stakeholders in the preparation to identify themes and dilemmas
- 🌐 Ensure a support system for the auditees and clear lines of communication about the social safety system within the organization before, during and after group interviews.
- 🌐 Don't underestimate the analysis and reporting phase. Think in advance about how you will process and label the information during group interviews. Identify themes and labels beforehand and as you go along.
- 🌐 Process the results immediately after the group interviews. Also apply the four-eye principle to minimize (mis)interpretation risks.
- 🌐 Throughout the audit, continue to update the sponsor and client on progress and any dilemmas that arise.
- 🌐 Assume that sensitivities will surface; which requires good preparation and communication from the IAF. Recipients of the report and/or findings may need to go through a process of "acknowledgment" before they are ready for the next steps.
- 🌐 Supplementing the SCL with variables from Amy Edmondson in the area of leadership and the themes of the Big Five was very effective. It provided further concreteness to the SCL model that was already familiar to the auditees.

Impact of research

For some stakeholders, it was an adjustment to gain insights into safety in this way. However, this approach connected various themes for follow-up. It created more collaboration and insight. 🌐

Sure bv - behavioral audit into psychological safety




Rationale for a study of psychological safety

Due to the confidentiality of the commissioners, the content of this case study is an amalgamation of several real-life cases. Therefore, the organization Sure bv in this case is fictional.

The CEO of medium-sized insurance company Sure bv received signals through the Works Council and confidential advisors that there might be issues related to psychological safety. He commissioned a behavioral audit to gain in-depth insight into what was happening and the underlying causes. Previous reports had not provided sufficient insight, and there was a desire to have a dialogue with the organizational members. Additionally, the CEO had been reading numerous news items about psychological safety in recent years and wanted to prevent his company from becoming the next headline. He asked the IAF to propose a plan. Besides being the formal client, the CEO was also a sponsor and expressed his support for the auditors.

Research question and approach

We started with exploratory discussions with the client. These conversations resulted in the following research questions:

-  Are we a psychologically safe organization?
-  What are the hindering and facilitating factors in the culture to be a fearless organization?
-  What is needed to improve the socio-psychological climate where necessary?

After aligning the rationale and research question, we created a list of 'sensitizing concepts'. These concepts were partly compiled based on a literature review (including works of Amy Edmondson and Timothy Clark), supplemented with interviews with the client. The 'noticeable results' were also derived from information available within the organization, such as employee satisfaction survey results, absenteeism, and turnover.

Execution

The execution involved data collection from eighteen qualitative interviews with strategically selected respondents, ranging from the receptionist to director. Some of these interviews were focus groups. The advantages of group interviews with a maximum of four people are that people are willing to take higher risks, there is a higher reliability due to social control, and it is efficient as it quickly gathers different perspectives. Reflective interviewing allowed all respondents to openly share their stories during the interviews about their trust in colleagues, the degree of openness they feel, and the risk of bringing up an idea, concern, or question during interactions. More importantly, we achieved depth in the motivations and assumptions.

With the input of 320 pages of transcribed interview text, we conducted qualitative data analysis. We did this with MaxQDA (software for qualitative data analysis) and the principles of grounded theory, where theory is developed ‘from the ground up’ through systematic collection, coding, and analysis of qualitative data. The results were incorporated into a narrative form using 187 quotes as building blocks. In total, the research took 220 hours, with a lead time of three months.

Report

The narrative report served as input for the validation meeting. This was an interim reporting event to which all interviewees were invited to collectively interpret the findings. The validation meeting, designed by the auditors, lasted four hours. There were eighteen attendees who engaged in dialogue with each other based on the newly gained insights and added meaning to the narrative. The dialogue and interpretation of the findings provided input for the final report that was presented to the CEO.

Our experiences

For the audit team, it was intense, both for the external expert and the internal auditor. The personal stories of people sometimes hit close to home and affected us. We heard much more than managers typically hear from their own employees. We were also proud that we could explicitly and respectfully identify and discuss the patterns, uncover what is truly happening, and to facilitate a meaningful conversation about it. This way, we were of added value to the organization on this strategic theme.

We noticed that people in powerful positions often really don’t notice how their employees experience the same situation completely differently. The findings were such a clash with some leaders’ perspectives that cognitive dissonance occurred. “This can’t be true! The important thing is to acknowledge these feelings, and to understand that this is normal.

Points of attention

When investigating psychological safety through a behavioural audit, it is even more important to conduct value-free interviews and focus on the interviewee’s story, as you want to follow the other person’s thought process and understand their perspective. Train yourself in qualitative interviewing. Auditors often feel a loss of control when they first interview without evaluation criteria and preconceived questionnaire. This is normal and part of the learning process to master these interview techniques. It is also important to realize that a lack of psychological safety can be a contraindication for a behavioral audit. When people are afraid to speak up and lack trust in an equal dialogue, a behavioral audit may not have the desired impact and added value. In this case study, the sponsor’s support and learning orientation were decisive in starting.

Impact of research

All participants recognized the situation as described in the “story’. It was clear that psychological safety was severely lacking and that changes were necessary for the future. The dialogue created more understanding of each other’s perspectives. The CEO of Sure bv was surprised and shocked by the findings. For the company’s performance, but especially for the employees’ well-being, it is important to turn the tide. During the validation meeting, a perspective for action emerged for the future and several people volunteered to take concrete steps to improve psychological safety. 🌱




**The in-depth conversations
provide valuable insights.**

4. Psychological safety within one's own audit department

The previous chapters have described what psychological safety entails and how it can be audited. In this chapter, we focus on psychological safety in the IAF team and in the audit process.

The IAF typically operates in a knowledge-intensive, dynamic, complex and sensitive context. As outlined in Chapter 2, delivering high performance in such a context makes psychological safety crucial for achieving organizational objectives.

An IAF function usually consists of at least a chief audit executive (CAE or another leading position) and one or more team members, thus forming a team like any other. The IAF often includes unique team members who bring different experiences, perspectives, and expertise, contributing to team dynamics and interactions. It is essential that all IAF team members feel free to share ideas, ask questions, and provide feedback. This means, for example, that:

-  The youngest team member, who has just graduated, feels adequately empowered to participate fully and feels heard.
-  The team member who is inherently introverted feels and is given the space to provide valuable input.
-  The team member with a more unconventional educational background than usual for the audit field and with different perspectives and ideas is appreciated and listened to.

Additionally, the IAF must adhere to the high quality standards as described in the International Professional Practices Framework (IPPF).

The organization must be able to trust that the IAF performs its work diligently, objectively and independently. Achieving this requires a safe environment within the team and in its relationships with all stakeholders.

Psychological safety makes the IAF more efficient and effective, and the team more resilient and motivated. Conversely, a lack of psychological safety within an IAF can pose risks, such as:

1. Errors - Fear of reporting errors can lead to inaccuracies and increase the risk of misconduct.
2. Superficial audits - Barriers to sharing open thoughts and opinions and participating in discussions, which can reduce the depth of audits.
3. Slowing down and inefficiency - A lack of open communication and collaboration can affect efficiency and slow down the audit process.
4. Lack of innovation - Feeling barriers to proposing new ideas, which prevents possible improvements from emerging, can lead to tunnel vision and slow or stop innovative thinking.
5. Limited feedback and learning ability - Hesitance to give constructive feedback can hinder the improvement of work.

So, in this chapter, we will focus on the IAF function in relation to psychological safety, examining it from three perspectives:

1. psychological safety within the IAF itself;
2. psychological safety in the audit process for the audit team;
3. psychological safety in the audit process for the auditee.

4.1 Psychological safety within the IAF itself

This section addresses the role of the leader and the role of the team.

4.1.1 PSYCHOLOGICAL SAFETY WITHIN THE IAF ITSELF: THE ROLE OF THE LEADER

Within an IAF, leaders play a crucial role in creating a psychologically safe environment. This applies primarily to the CAE, as the person ultimately responsible within the IAF, but also to other leaders within the IAF who are responsible for the 'personnel function' (the so-called direct supervisors). Hereafter, we will refer to the CAE. We provide several guidelines for the CAE:

- 🌐 Ensure diversity and inclusion in the team (team composition) - The CAE ensures an environment where diversity and inclusion are present. This involves a balanced composition of the team, considering both visible and less visible differences such as personal preference styles, introversion, extroversion, neurodiversity, etc. It is essential that all team members, regardless of their background, feel valued and respected. Fostering diversity and inclusion promotes the utilization of talent and incorporates all perspectives. This requires the CAE to invest in basic knowledge and skills in the areas of diversity, inclusion, and equity.
- 🌐 Exhibiting the right role model behavior - It is important that desired behavior - as described by the organization and in the IPPF code of ethics - is actively demonstrated in the visible actions of the CAE. 'Leading by example' also applies to the characteristics of psychological safety.
- 🌐 Actively encouraging team contributions - The CAE invites all team members to contribute to explorations and discussions. In this way, audit team members feel involved and valued in their roles.
- 🌐 Promote open dialogue - Open dialogue is essential to creating trust within the team. The CAE creates an environment where open communication is the norm. An audit leader also acts when open dialogue stalls by addressing it.
- 🌐 Acting on signals - It is important for the CAE to be alert to signals indicating a lack of psychological safety and to respond adequately. For this, it is essential to recognize, acknowledge and act on signals in a timely manner when necessary.
- 🌐 Clearly outlining frameworks, expectations and boundaries - To minimize uncertainty and anxiety, there must be clarity about roles, responsibilities and behavioral norms.
- 🌐 Building and maintaining trust - Trust is the foundation of psychological safety. The CAE's task is to build and maintain trust, for example, by keeping commitments.
- 🌐 Show vulnerability (share own mistakes) - By sharing own mistakes, making mistakes is normalized, teaching the team that it is okay to be imperfect and share mistakes.
- 🌐 Show empathy, listening and understanding - Empathy is essential in leadership. It shows team members that leaders understand and appreciate their challenges.
- 🌐 Room for making mistakes and room to learn - Creating an environment where mistakes are seen as learning opportunities contributes to the development of the team.
- 🌐 Celebrating successes - By recognizing and celebrating successes, the CAE strengthens a positive team dynamic and motivation.
- 🌐 Challenging the status quo (giving and receiving feedback) - The CAE is willing to question the current way of working and is open to both giving and receiving feedback. The CAE also supports others on the team who challenge the status quo.
- 🌐 Discuss the concept of psychological safety - In order to optimize psychological safety and recognize situations of unsafety, the CAE can

help the team delve into the conditions for and characteristics of psychological safety and discuss signs of insecurity.

Table 9 is an overview of leadership traits that promote and hinder psychological safety, compiled by Elmira Nijhuis.

Leadership traits that promote psychological safety	Leadership traits that hinder psychological safety
Open communication (Asking questions and listening)	Closed communication (Pretending to have all the wisdom, by association)
Prioritizing the common good	Prioritizing self-interest
Integrity	Lack of integrity
Empathy	Low empathy
Reliability	Unreliability
Friendliness	Hostility and unfriendliness
Emotional stability	Being overly emotional and showing unpredictability
Reflectivity	Not being accountable for one's own behavior

Table 9. Leadership traits of Elmira Nijhuis.

4.1.2 PSYCHOLOGICAL SAFETY WITHIN THE IAF ITSELF: THE ROLE OF THE TEAM

Psychological safety is a shared responsibility of the IAF team. In this section we look at the interaction within the audit team itself. Elmira Nijhuis's model is highly useful for this purpose, as it clearly and practically illustrates daily interactions through behavioral elements. See Table 10 for the twelve interactions that provide insight into the extent to which the audit team realizes psychological safety. The team can use this table for a quick scan (at an individual or team level) or as a 360° feedback tool.

**Also within an IAF,
department leaders
have a crucial role
in creating a
psychologically safe
environment.**

Interactie	Definitie	Doorvertaling naar auditteam
Prosocial behavior	Supporting each other during vulnerable life phases, collaborating effectively, willingly taking over each other's work, celebrating successes together, standing up for each other in the team, helping each other with solutions, and treating each other as you would like to be treated.	<ul style="list-style-type: none"> • The audit team supports each other at (vulnerable) life phases • The audit team works well together and is willing to take over each other's work. • The audit team celebrates successes • The audit team stands up for one another • The audit team helps each other come up with solutions • The audit team treats each other as how they want to be treated themselves
Common interest	Prioritizing the common good, focusing on the collective ambition, being willing to see the broader perspective, personal problems are addressed as collective problems.	<ul style="list-style-type: none"> • The audit team prioritizes the common good. • The audit team focuses on the collective ambition • The audit team can see the broader perspective • The audit team solves individual problems together
Loyal behavior	Standing up for each other outside the team, trusting each other's discretion, not letting themselves be played off against each other	<ul style="list-style-type: none"> • The audit team stands up for each other, also outside the team • The audit team trusts each other and does not play off one against the other, handling information about each other discreetly.
Valuing diversity	Appreciating each other's individuality, utilizing each other's skills, encouraging the other to express a differing opinion, exploring differences in opinions together	<ul style="list-style-type: none"> • The audit team values each other's uniqueness and leverages each other's skills • The audit team encourages differing opinions.
Showing authenticity	Personal identity, being authentic, being oneself, embodying values/norms	<ul style="list-style-type: none"> • Within the audit team there is room for personal identity and authenticity • Everyone can be themselves within the audit team • The audit team upholds and promotes norms and values.
Knowing Skills	Recognizing and valuing talents and skills	<ul style="list-style-type: none"> • The talents and skills within the audit team are recognized and valued
Learning orientation	Discussing mistakes to learn from them, showing self-reflection, being accountable for mistakes, giving advice with space for the other person, evaluating together afterward why things were not expressed, and resolving to speak up next time.	<ul style="list-style-type: none"> • Within the audit team, mistakes are discussed to learn from them • Within the audit team, there is self-reflection • Within the audit team, people can talk about mistakes that are made • Team members give advice with space for the other person • Audit team evaluates why issues were not voiced
Daring to make mistakes	Room to make mistakes, openly discuss mistakes, and view mistakes as part of growth.	<ul style="list-style-type: none"> • Within the audit team, there is room to make mistakes • Within the audit team, mistakes are openly discussed • Within the audit team, mistakes are seen as part of growth.
Knowing each other well	Building personal relationships with each other, maintaining informal contact, knowing each other's private settings, and spending time together.	<ul style="list-style-type: none"> • Within the audit team, members know each other personally and spend time together. • Audit team members maintain informal contact with each other
Interpersonal relationships	Having a mutual bond, sharing the same background, having mutual trust, no tension in the relationship, group pressure, becoming less critical.	<ul style="list-style-type: none"> • Audit team members have a mutual bond • Within the audit team, there is mutual trust • Within the audit team there is no tension in relationships, there is limited peer pressure and people are also allowed to be critical
Taking risks	Daring to take interpersonal risks	<ul style="list-style-type: none"> • Audit team members dare to take interpersonal risks
Asking for help	Feeling free to ask for help, accepting help, feeling comfortable admitting when you don't know something and asking for assistance.	<ul style="list-style-type: none"> • Audit team members feel free to ask for and accept help • Audit team members feel free to admit when they don't know something and ask for assistance

Table 10. Scan for audit team based on Elmira Nijhuis.

4.2. Psychological safety in the audit process for team members

Psychological safety is reflected in the various audit phases of the audit process. It helps build trust between auditors and auditees, which is essential for a valuable audit process and, consequently, for the performance of the IAF.

The following guidelines apply to each phase of the audit process:

- 🌐 Learn as an audit team to recognize and address signals of psychological unsafety. This can be done by familiarizing yourselves with the signs and characteristics of psychological safety.
- 🌐 Agree on a “process” for someone to fall back on if they do not feel safe carrying out the audit and asking the necessary questions (agreements with the team, support from the team, and actions by the CAE).
- 🌐 Regular open conversations are held to evaluate the share insights.
- 🌐 Evaluations of the design, progress and realization take place in a setting that values and encourages diversity of perspective and input.
- 🌐 The audit team is alert to and addresses any signs of psychological unsafety..

Next, we will discuss the specific guidelines for each phase.

AUDIT UNIVERSE AND ANNUAL PLAN

Psychological safety plays a crucial role even in the phase of forming the audit universe and the audit year plan. Important decisions are made in this phase about which audit objects are relevant to include. It is essential that open and honest discussion is possible about potential risks, vulnerabilities, and the approach of the audit.

It is essential that open and honest discussion is possible about potential risks, vulnerabilities and concerns within the organization. At this stage, it is important which team members are

or are not involved. A diverse composition in terms of expertise, background and experience contributes to a more complete picture of the audit universe. It allows the audit team to get a more accurate picture of the risks, which is crucial for identifying the whole of the audit universe.

Guidelines for psychological safety:

- 🌐 Ensure clear roles, tasks, and expectations so that team members know what contribution is expected from each person and when (ownership and responsibility).
- 🌐 Organize an (inclusive) workshop where all team members are encouraged to share their view on strategic risks regarding key themes for the organization and organizational elements, as well as potential risks. In this phase, ensure a working format that encourages the sharing diverse perspectives.
- 🌐 Rotate the role of chairperson/leader to convey different perspectives and approaches.
- 🌐 Invite feedback from various levels within the organization to gain a broader perspective on the audit universe and risks.
- 🌐 Organize feedback rounds, both live and in writing, so that all team members have the opportunity to provide input (a written request might be more comfortable for introverted audit team members than providing ‘on the spot’ input).
- 🌐 After completing the audit universe and the audit year plan, evaluate how the process went from the perspective of psychological safety and identify areas for improvement points for in the future.

PLANNING

During the planning phase of an audit, a decision is made regarding the scope and approach of an audit. Depending on the nature of the audit, it is more or less important to allow for open dialogue during the planning stage. Especially for non-standard or non-compliance-driven audits, it is important that audit team members feel free to openly and honestly share their perspectives and discuss the audit objectives and risks without fear of negative consequences.

Guidelines for psychological safety:

- 🌐 When assembling the audit team, make sure it is multidisciplinary.
- 🌐 Actively invite all audit team members to provide their input during the audit preparation phase. Regardless of educational background, expertise and experience.
- 🌐 Implement check-ins and check-outs in the meeting structures of the audit team.
This way, new colleagues, less experienced auditors, introverted auditors, et cetera, are given explicit space to provide input.
- 🌐 Experiment, encourage and be open to different and/or different approaches and methodologies.
- 🌐 Conduct a stakeholder analysis during this phase to assess potential sensitivities regarding psychological safety among team members or auditees. Discuss and agree on measures to be taken if such situations arise. For example, you might agree that sensitive topics or difficult conversations should always involve two auditors.
- 🌐 Regularly refer to the IPPF, which outlines standards for conducting work as an auditor without fear, objectively, and independently. Discuss how this is implemented within the IAF and whether it is sufficient.

FIELDWORK

In the fieldwork phase, it is important that the audit team feels free to carry out the fieldwork according to the work program and, where necessary, delve deeper into observations and ask difficult questions, even if they are sensitive. If the audit team notices that the audit is progressing well, the work program could be better adjusted, or encounters other challenges, the audit team should be able to communicate this without hesitation and obstacles. In fieldwork, it is crucial that the audit team can speak freely, present ideas, and report findings.

Guideline for psychological safety:

- 🌐 Create moments for discussion during fieldwork so that perspectives, ideas and possible mistakes, and signals of psychological unsafety, can be discussed.

REPORTING

The reporting phase requires a setting in which every audit team member can provide a professional judgment without reservation when translating the findings into the report. All opinions within the audit team, including the differing ones, are valued and considered, resulting in a comprehensive and balanced report.

Guidelines for psychological safety:

- 🌐 Create feedback loops in the reporting phase. Each team member has an own communication style, and feedback loops can ensure that things are presented and articulated properly in the report. In this phase, it is important for team members to openly discuss ideas and any mistakes openly. During meetings with team members, signs of psychological safety can be discussed and evaluated.
- 🌐 Establish an inclusive review process that takes different perspectives into account and ensures inclusive decision-making. Actively invite members of the audit team to provide input and be open to new suggestions.

- ☞ In the reporting phase, it is important to reflect on the review process within the IAF. How are review notes given back? Is there room to disagree with review notes? Are the review notes constructive or do they feel like an attack or as failure. Discuss with each other what a comfortable way is to do reviews.
- ☞ In the reporting and review process, there can also be issues of ranking and power. Which voice is decisive in the team and what is this based on? Do team members feel enough space to think differently and provide input on this?
- ☞ In the reporting phase, the auditee may possibly create psychological unsafety by reacting in an unpleasant way. It is important to make agreements in advance about how to handle such situations and how to discuss this with the person involved. In the moment itself, it is important for the IAF - as an audit team and possibly with the CAE - to support each other.

FOLLOW-UP

In the final phase, the follow-up, members of the audit team can engage in open discussions about the progress of implementing recommendations and address any feedback constructively. The audit team can speak openly about the progress and is also willing to receive feedback from the auditee.

Guidelines for psychological safety:

- ☞ Any feedback on implementation is discussed constructively and without reservation in the team.
- ☞ The audit team is open to and actively seeks feedback from the auditee ensuring two-way communication and mutual learning.

4.3. Psychological safety in the audit process for the auditee

Psychological safety in the audit process for the auditee is about making him or her feel at ease and handling the outcomes of the audits prudently (no retaliation or reprisals). A psychologically safe environment enables auditees to communicate openly and honestly, which is essential for identifying real risks and opportunities for improvement. Moreover, psychological safety enhances trust and collaboration between the audit team and the auditees, which is crucial for effective and sustainable improvements within the organization.

In the next paragraphs we will examine each audit phase to see how psychological safety for the auditee can be optimized.

AUDIT UNIVERSE AND ANNUAL PLAN

It is crucial for the IAF to achieve a comprehensive understanding of the audit universe and the (internal and external) developments. This involves gaining insight in to the (strategic) objectives, developments within the organization and the corresponding risks, with management input (and also mandatory according to the standards). A culture of psychological safety can be encouraged by, for example, arranging regular meetings with line managers to explore their perspectives and remain open to their issues and concerns.

PLANNING

In preparing for an audit, it is important for internal auditors to create an atmosphere of psychological safety so that auditees share their concerns and needs and are open to discussing risks and vulnerabilities, as well as the approach to the audit. This can be facilitated, for example, by starting the audit with an intake interview in which the auditor, starting from what has been established in the audit annual plan, primary asks from the auditee's perspective. The draft audit plan is also presented to and

discussed with the auditee, explicitly asking about the relevance and feasibility for the auditee.

FIELDWORK

During fieldwork, it is essential that internal auditors create an atmosphere of openness and dialogue for the auditees. Internal auditors should emphasize as much as possible that the objective of the fieldwork is not to find faults or hold individuals accountable, but to improve the company and mitigate risks. During the audit, the progress of the audit should be regularly discussed with the responsible manager, also to hear possible experiences of psychological unsafety. At the beginning and end of interviews, explicit questions can be asked about perceptions of safety, as experienced by the interviewees.

REPORT

The reporting phase is a time where open communication and mutual trust are essential. It is important that the internal auditor presents the findings in a way that promotes collaboration and improvement. By encouraging a constructive dialogue and ensuring that feedback on findings is valued and taken seriously, a psychologically safe environment is created. When a root cause analysis is conducted, auditees are actively involved. In translating findings into action plans, the auditor stimulates discussion about the relevants, priority and feasibility of the actions.

FOLLOW-UP

It is essential that auditees feel supported during the follow-up phase. Auditees should not feel barriers to sharing both successes and challenges in implementing the recommended actions. Internal auditors can play a proactive role by facilitating a dialogue in which auditees feel safe not only to provide updates, but also to ask for help when needed. This creates a collaborative approach, with continuous at its core, where both the IAF and the auditee are seen as a valuable partners in the process.

PERIODIC MEETINGS AND KNOWLEDGE SHARING

In an environment where psychological safety is a priority, both auditors and auditees can benefit from regular conversations about developments in the business and in auditing. This fosters an understanding of each other's situation, which contributes to a mutual understanding and willingness to collaborate toward the organization's goals.

Finally, 'good example sets a good precedent'. Be aware that in cases of psychological unsafety, the opposite effect can occur. If bystanders witness behavior that undermines psychological safety, it affects their own sense of safety and thus their actions. This detracts from the quality and effectiveness of audits.

Appendix 1 Literature List

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