

Do your listeners 'switch-off'? Improving programme impact with better financial communication

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You can picture the scene...it's Friday afternoon, the finance officer is explaining the monthly figures in great detail, she's already been talking for 20 minutes and shows no sign of stopping. Most people have already stopped trying to understand, others are thinking about what they will do at the weekend.

Does it matter that people don't understand such figures? Well yes it does – my recent research shows that the vast majority of staff interviewed in non-government organisations (NGOs) in Africa, Asia and Europe said that clear financial management communication has a positive effect on programme impact. In short, good finance means good development.

Why then is communication between 'finance' and 'non-finance' people so often difficult? It may be that both groups are coming from different places. Whilst we need both backgrounds to build a successful organisation, the personality-type of the kind of people who choose to work in each may be quite different. This can lead to a certain 'culture' which may be personified by some finance staff, or in finance departments that reinforce their own ways of doing things.

The research shows that the 'finance culture' often includes those who are logical, analytical, and like the familiarity of rules through organisational systems and procedures. About 90% of NGO finance staff interviewed recognised themselves as belonging to this culture.

Many 'non-finance' staff interviewed suggested that their personal characteristics could often be quite different to this: a wish to reduce 'rules', and wanting more individual freedom and flexibility over the way systems operated. This can be at odds with finance culture's preference for rules and procedures.

Of course these are generalisations and not all people in either group are identical. However, it perhaps starts to explain some of the reasons why financial communication is not always easy.

About 80% of those interviewed in both groups thought that individuals background and 'cultural' differences would explain departmental perceptions towards the importance of financial issues. When 'non-finance' colleagues don't understand finance, a manager's response may be to 'send them on a training course'. Whilst there is certainly a place for this, it might not address all the issues because training may make little difference to poor communication between 'finance' and 'non-finance' people. There is often a need to improve

'non-finance' people's understanding of finance basics, but also to develop the communication skills of those working with financial issues.

These internal cultural differences can be made more complex when organisations work with others from different international backgrounds. This can be across the world or across the office. Many of us work with international colleagues in our own country. Insights from cross-cultural studies can help us to understand how to develop our own skills to keep good relationships with others whilst at the same time making sure the task is done on time and to a good standard.

Many 'non-finance' and programme staff may have travelled internationally for work and are familiar with the cultures that they are in contact with regularly. But the 'finance' people in their organisation may not have interacted with people from that culture, so may not know the subtle differences needed. Issues such as different approaches to time and deadlines, being more direct or indirect in your business communications, or the importance of not criticising people openly may all be new to finance people, who are perhaps working with a number of cultures for the first time. It is important to recognise this and train staff in appropriate ways of communication. This can be an enriching experience.

There are ways to improve communication between 'finance' and 'non-finance' people and with international colleagues. Many organisations value external input to help them improve their financial communication.

If we improve financial communication there can be huge benefits – the organisation can become more sustainable, fundable and effective, it achieves better decision-making, and above all its programme activities can have greater impact with the communities they serve.

Do you want to improve your or your staff's financial communication?

For one-day introductory, and three-day in-house courses in:
[Communicating NGO financial management](#) Contact john@johncammack.net

Communicating financial management with non-finance people: a manual for international development workers by John Cammack, is published by [Practical Action Publishing](#) in Spring 2012. It is also available from on-line bookshops.