Improving programme impact when 'talking finance'

I recently spoke with a colleague from an NGO in Zimbabwe who told me how she dealt with two international donors who both wanted financial reports urgently. She had received this email from a donor the previous week: 'Not received information requested for the report. Deadline yesterday. Send immediately'. She was so upset on receiving this, that she didn't reply at all. The following day she received another email which read: 'Dear Grace, Hello, how are you? Hope you had a good weekend? Did you remember we need to finalize the donor report? Please send as soon as you can. Thanks and best wishes, Tomas'. She responded immediately[1].

This example illustrates how communication difficulties can arise. Much of our work in NGOs is about money: negotiating with donors and partners about what can be included in budgets and reports, explaining our financial position to boards and supporters, and knowing exactly what the financial data in our accounting statements and reports mean. 'Talking finance' is often a sensitive area where misunderstanding and disagreements can easily occur, leading to mistrust, which can directly affect whether programmes continue or even start.

So we need to communicate as clearly as possible. Talking finance can be complex enough when both parties are from the same cultural group. For example when finance and non-finance people communicate, they may hold very different views on the actual value of financial management information.

When working internationally, it is even easier to communicate inappropriately with people who come from different backgrounds, especially when one or both people have little experience of the other culture. Linking new insights about cross-cultural studies and NGO financial management together can help develop skills in maintaining good relationships whilst at the same time making sure tasks are done on time and to a good standard.

It is not surprising that the second email to my Zimbabwean colleague brought forth the required response: it is friendly and encouraging. Cross-cultural research by Edward T. Hall[2] identified the terms 'high-context' and 'low-context' cultures to explain ways people from different countries and societies communicate differently. Although this is a generalized approach and no group, culture, or individual is exclusively one or the other, Hall's approach helps us to understand why things do not work out exactly as we might expect. When we start to look at an issue from the viewpoint of another culture, it can help us to communicate better, especially when working internationally.

For example, high-context cultures aim to 'maintain relationships at all costs'. Qualities of people from these cultures include: wanting to establish relationships and trust first, before discussing the business of a meeting; trying to avoid embarrassment or unease ('saving face'); treating deadlines as flexible and rearrangeable.

Low-context cultures aim to 'be direct and say what they mean'. Qualities of people from these cultures include: starting meetings with the business and focusing on the task, relationships may come later; aiming to complete the task and being direct with people; treating time as limited and deadlines as fixed.
We can perhaps recognize that the first email to my Zimbabwean colleague came from someone with a low-context culture. The second was from a high-context culture. Both were communicating with a member of staff used to a Zimbabwean largely high-context culture. So because two people were using the same cultural approach, the second email was more successful than the first.

Neither culture is better or worse, only different – it depends on our background and experience as to the way we see the world and how we communicate in it. It is likely that neither of the donors deliberately thought how they should email; they were busy and sent a quick message. However it is possible to learn different ways and understanding another culture can make communication easier about many topics, and *particularly* about finance.

Much of the research describes people brought up in, or from families with a culture from, Africa, Eastern Europe, the Middle East, South America, South Asia, South East Asia and Southern Europe as high-context. People from Australasia, North America and Northern Europe tend towards low-context culture. The importance of being aware of these issues becomes clear when we recognize that many of the international donors are based in low-context cultures, and their partners and recipients of support are mostly in high-context cultures.

Not everyone in a particular cultural group is the same, so we still need to identify what approach works with each individual. It is not always the national culture that determines this. Some professions, for example, are seen as 'low-context' across the world, and accounting and finance is one of these. Accounting people are often trained to be clear and concise in their communication and not to use unnecessary words. On the other hand, those involved in front-line 'development' are often be seen as tending towards high-context because their relationship with a community is most important. Today people from many backgrounds and countries work side by side, so these issues have become important across the office as well as internationally.

Many NGO programme staff may have travelled internationally and are familiar with the cultures they interact with regularly. When they contact people from that culture, they tend to know the right words and approaches to take. Their finance colleagues, however, may not have travelled so widely, and so cannot easily appreciate the subtle differences. These differences might, for example, include approaches to time and deadlines, being more direct or indirect in business communications, or the importance of not criticising people openly.

It is important to develop the thinking of finance staff (and others who communicate with international colleagues). Ways to create better ways of 'talking finance' include encouraging them to:

- recognize the cultural norms of those with whom they interact, and learn about their particular cultures from colleagues and their own research

- try out appropriate ways of communicating, for example by balancing personalized messages ('high context' culture), with clear and concise information ('low context' culture), adapting verbal and written communications just enough to suit the recipient(s) and enable them to understand and respond
- include a word of greeting in the first language of the recipient, for example 'Kwaziwai Grace' may help to make the first email more acceptable
- use plain language in communications avoiding jargon, slang, idioms and complicated sentences that don't easily translate to other cultures and languages
- engage in non-email communication from time to time, by using internet telephone and, if possible, meeting each other face to face – this can help communication enormously.

NGOs could also include something about financial communication in their strategic planning to encourage this to be taken seriously.

If working with the two donor members of staff who sent the emails to Zimbabwe, it would be important for each to recognise their own style and where it fits on the high to low culture spectrum. Most people find when they recognize this, and receive feedback from others who may be at different points on the spectrum, it is easier to improve their future communications.

Equally working with the NGO staff member in Zimbabwe the same approach would be helpful. It would be important for her to recognise why the emails are so different, and how she might improve relations through her responses. For example, when responding to the first donor it would be helpful to match their low-context style, being more concise and to the point than she might usually be. When writing back to the second donor a more personal approach is likely to work better.

It is vital for international NGOs and their partners to understand how they each operate in different cultures, if both partners are to maximise their relationship. If we improve financial management with greater cross-cultural awareness on issues such as this, our NGOs can become more sustainable, fundable and effective. We can make better decisions, and above all our programme activities can have greater impact with the communities they serve.

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References

[1]*Communicating Financial Management with Non-Finance People: a manual for international development workers* by John Cammack (2012), published by Practical Action Publishing, and also available through Stylus Publishing.

[2]*Beyond Culture* by Edward T. Hall (1989), published by Anchor Books, New York.

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