

Managing Perceptions

By Kevin Knutson

How and what you communicate will form the basis for how others perceive situations, so have a strategic, proactive communication plan for elected officials, staff, and the public.

While managing fiscal distress, it is important to keep in mind the impact of individual perceptions on the development of policy decisions. How and what you communicate will form the basis for how others perceive the situation. Have a strategic, proactive communication plan for elected officials, staff, and the public. Being careful about how messages are developed, constructed, and distributed makes it possible to shape the discussion toward productive decisions and mutual understanding.

For governments that are in fiscal distress, the first goal of communications is to present an honest and transparent picture that realistically assesses the severity of the situation without inducing undue fear or even panic. Providing information that is specific and detailed, but does not necessarily tie the government to a rigid course of action, helps achieve effective outcomes.

BENEFITS OF EFFECTIVE COMMUNICATION

Effective communication helps build a team-based approach to problem solving that works on credibility and trust, an outcome that helps advance a finance officer's efforts in dealing with

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fiscal distress. Without credibility and trust, for example, it can be very difficult to negotiate with unions, employees, vendors, taxpayers, and legislative bodies.

Another key benefit of effective communication is avoiding rigid reactions. Clear and honest communication can assist both an organization's leaders and the organization itself to be more open and receptive to different perspectives and solutions.

Creating an effective line of communication helps ensure the accuracy of information being distributed. Both correct information and misinformation can spread like wildfire. Putting the story in perspective or filling in the correct facts can help avoid rumors and misinformation from becoming accepted as reality.

MANAGING EXPECTATIONS

Managing expectations is an integral part of shaping perceptions. Be honest and sincere about what can be achieved — and don't leave out citizens and the governing body. Employees take their cues from leadership's ability to credibly portray reality. For example, employees who are asked for their opinions and suggestions usually respond with creativity and ingenuity, if they believe their suggestions will be heard and valued.

To help manage the perceptions and expectations of constituents — as well as other stakeholders, including employees, oversight boards, investors, ratings agencies — it is useful to provide context and analysis. Context might include historical data and the relationships between resource allocation and policy direction, where analysis provides insight into the potential impact of decisions, and external forces beyond policymakers' control.

The key to managing stakeholder perceptions is to promote open communication about the organization's financial situation and the plans to address those challenges.

MESSAGE DEVELOPMENT

Indulging in hyperbole or overplaying the situation such that stakeholders adopt a siege or bunker mentality in response to a perceived threat may be counterproductive. Such an outlook makes change and innovation less likely.

Start by gathering and analyzing a critical mass of information about the "crisis" event. If the government is perceived to have command over the relevant information, then the public will view responses as more credible. This will allow the event to be framed as a call to action instead of a panic-inducing disaster.

Next, share information about the event. Feelings of ambiguity and uncertainty are strong in environments of financial decline. This often leads people to become more rigid in their thinking and rely more heavily on past beliefs or patterns of behavior in an effort to reduce feelings of uncertainty.

Finally, provide the information and analysis in a structured, guided format.

Craft a story that helps your audience understand where you are, how you arrived at the current situation, and what the choices are for moving forward. This makes it easier for others to understand the information, allows it to reach a broader audience, and increases leader credibility.

Communications must be specific. Stakeholders respond better to communications that explain how they will be affected — what they will lose or keep — than to general or intangible ideas. The old marketing adage applies: Put yourself in the stakeholder's shoes and ask "What's in it for me?"

Make sure communication does not box the government into a certain action. Providing too many specific details about narrow solutions can create problems if the government does not follow through as expected — even if that's because a better solution was found — resulting in loss of credibility and erosion of trust.

GETTING THE WORD OUT

All levels of the organization should receive information about the level of fiscal crisis the government is experiencing. All employees need to be educated and involved in the issues and possible solutions. Employees are all spokespeople for your organization in their neighborhoods, churches, and community groups. Others look to them for expert insider knowledge — make sure they have it.

Make use of existing internal communications structures such as management team and staff meetings to educate management and supervisory staff, who can then use team meetings or other existing chain of command elements to communicate to line

staff. Use broadcast e-mail messages, employee intranets, phone systems, bulletin boards, and employee newsletters to share information.

For elected officials, develop memoranda and presentations that clearly and simply explain and reinforce the messages you want to deliver. Be consistent and timely, keeping a steady stream of information in front of policymakers.

To reach constituents, work with the public information and media relations tools already employed by your agency. Don't try to use something new that is unfamiliar to your constituents unless you have a large communications budget to support it. Some examples include using your Web site, government access television, newsletter, opt-in e-mail system, paid placement, or town hall meetings as tools to communicate the fiscal condition and what is being done to address the challenge.

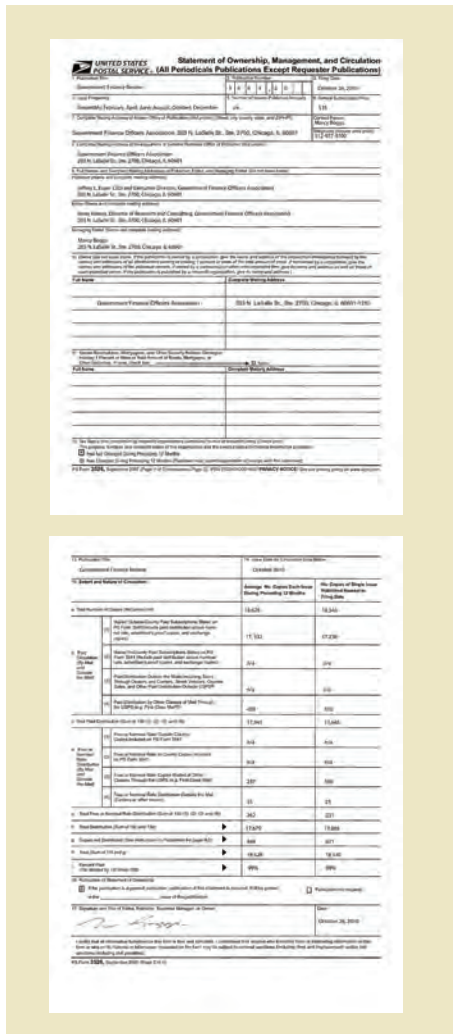
Provide follow-up information regarding changes in fiscal condition. Keep information fresh and timely, and ensure that everyone stays up to date.

CONCLUSIONS

You can determine if you're being effective in your communications by evaluating the tone of the discussion, the public input into the process, and the ease with which consensus is achieved. The level of civility in communications, whether constituents interact, and the degree to which they participate in proposing solutions for the fiscal situation all help gauge the success of the communications. The number of people who seem unaware of the basic issues and potential solutions can also be a measure of how effective your messages have been.

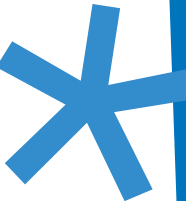
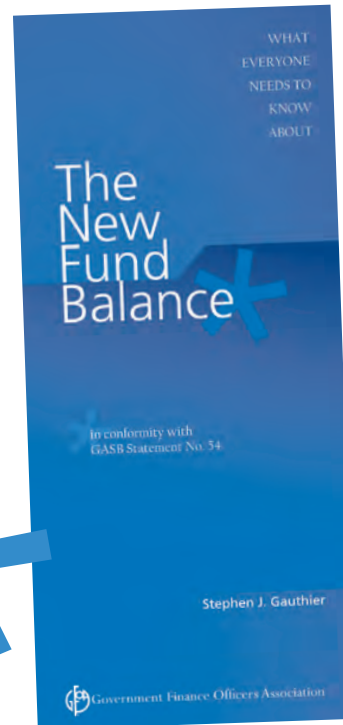
Evaluations are usually subjective — there’s rarely an opportunity to poll or survey your audience in the middle of the crisis — so listen and be responsive as things unfold, adapting your messages and communications as needed. The only success indicator that matters, at the end of the day, is if you are able to help policymakers reach consensus on a direction that helps mitigate the problems you’re facing. |

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