

# Interdepartmental Communication Research: A Case Study of the Finance Department

Yuanhang Liu<sup>1</sup>, Meiwen Bu<sup>1,2,\*</sup>

<sup>1</sup> Business School, Yangzhou University, Yangzhou, Jiangsu, China

<sup>2</sup> School of Accounting, Southwestern University of Finance and Economics, Chengdu, Sichuan, China

\* Corresponding author: Meiwen Bu

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**Abstract:** With the rapid development of China's economy and the increasingly refined social division of labor, the competition between enterprises has become more intense, and enterprises need to pay more and more attention to the coordination and cooperation between internal departments to improve market competitiveness. As an intrinsic requirement for the healthy development of enterprises, cross-departmental communication is particularly important in today's era. At the same time, the differences in the work objectives and nature of the work of the finance department lead to frequent poor communication between the finance department and other business departments. Addressing the aforementioned social phenomenon, this study conducts an in-depth analysis of the significance and challenges of cross-departmental communication involving financial departments. Based on identified challenges, it proposes corresponding solution strategies. At the departmental level, measures include enhancing departmental trust, breaking down professional barriers, strengthening information sharing, clarifying the responsibilities of the department, strengthen departmental tolerance, and improving the ability of employees. At the enterprise level, adjustments to organizational structures, alignment of departmental objectives, reasonable allocation of resources, and cultivation of a unified corporate culture are essential. This research provides actionable insights to facilitate effective cross-departmental collaboration for enterprises, thereby strengthening their market competitiveness.

**Keywords:** Cross-departmental Communication; Financial Management; Manage Communication.

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## 1. Introduction

### 1.1. Background

By the end of 2023, China's total economic output has risen to about 17% of the world's total (The data is excerpted from the article "Structural Optimization and Upgrading of the Aggregate Connected to the Ladder - A Summary of Economic Development Achievements in the 75th Anniversary of the Founding of the People's Republic of China".), and has become the largest driving force for world economic growth. The continuous optimization of the industrial structure and the steady progress of high-quality development summarize the current situation of China's economic growth. However, with the rapid development of China's economy and the increasingly refined social division of labor, the competition between enterprises is becoming increasingly fierce, and enterprises need to pay more and more attention to the coordination and cooperation of internal departments in order to improve their comprehensive competitiveness. Cross-departmental communication, as an intrinsic requirement for the healthy development of enterprises, is particularly critical in today's era. At the same time, as one of the important business departments of the enterprise, the finance department has different functions from other business departments. The finance department not only needs to publish the financial data in the form of financial statements, but also needs to maintain close contact with other departments such as human resources department and sales department, and maintain good relations with external units such as tax departments and banks.

In this context, cross-departmental communication between the finance department and other departments has become an important way for enterprises to achieve

sustainable development. However, due to the nature of the work of the finance department and the difference in work objectives, the communication between the finance department and other departments is not smooth, which brings a lot of development problems to the enterprise, such as difficulties in financial data sharing and financial reimbursement.

### 1.2. Literature Review

Cross-departmental communication, as the name suggests, is communication between different departments of the same organization. At present, as a means of communication, cross-departmental communication is still in the stage of rapid development and improvement, but its development is not only influenced by Western management theories, but also inspired by communication and psychology [1].

In terms of theoretical research, many foreign scholars have constructed theoretical models of communication. Fayol's hierarchical springboard communication model argues that horizontal "springboards" are the solution to the problem of inefficient hierarchical information transmission [2]. In the strict hierarchy chain, direct communication between departments at the same level can be allowed to shorten decision-making time and improve efficiency. Bourne's theory of communication conflict by analyzing the three self-states in interpersonal interactions, identifying hidden "mental games" and "life scripts"[3]. Drucker's "knowledge-based communication theory" focuses on the era of knowledge economy, advocating the construction of a structured communication framework through goal management, the establishment of a "goal anchoring-demand mapping-two-way feedback" cycle, and the integration of fragmented knowledge into organizational productivity. He

also emphasized that communication should follow the "four principles", namely clear goals, listening to needs, streamlining language, and verifying understanding, which is essentially to break down the information silos caused by the division of labor through systematic information coding [4]. "Learning Organization Communication Theory" from Peter Senge is based on the framework of the "Fifth Discipline", emphasizing the continuous evolution of the organization through systematic dialogue, and its core is to break down cognitive barriers through four major mechanisms, which are not only applicable to complex adaptation and organizational change, but also integrate systems science and cognitive psychology into communication to provide an adaptive learning paradigm for the time[5]. In addition, there are the communication funnel model, the RIDE persuasion model, the FOSSA model, the STAR model, and the Johari window, which have gradually developed in practice.

To sum up, the current academic community has formed a relatively complete theoretical system, but the practice of cross-departmental communication is not very sufficient, can not provide systematic reference suggestions for cross-departmental communication, this paper on the basis of a full understanding of these theories, specifically analyzes the possible obstacles of cross-departmental communication in the financial department of enterprises, and proposes corresponding solutions, and integrates the theoretical model into practical enterprise activities.

### 1.3. Research Content

This paper uses the literature research method and integrates knowledge of communication management, taking the cross-departmental communication of the financial department as an example. It explores the significance and existing challenges of cross-departmental communication in the financial department and proposes corresponding solutions based on these challenges. The aim is to provide references for enterprises to facilitate smoother cross-departmental communication, thereby enhancing their overall competitiveness.

The idea of this article is as follows:

The first part introduces the introduction of this paper, including the research background, research status and research ideas, constructs the research framework of this paper, and lays a theoretical foundation for the analysis of the meaning and challenges of the following paper and the proposal of measures.

The second part analyzes the significance and challenges of cross-departmental communication in the financial department of enterprises, and proposes corresponding solutions to the challenges, so as to provide reference for cross-departmental communication of enterprises.

The third part summarizes the findings of this paper, analyzes the shortcomings of the research, and looks forward to future research.

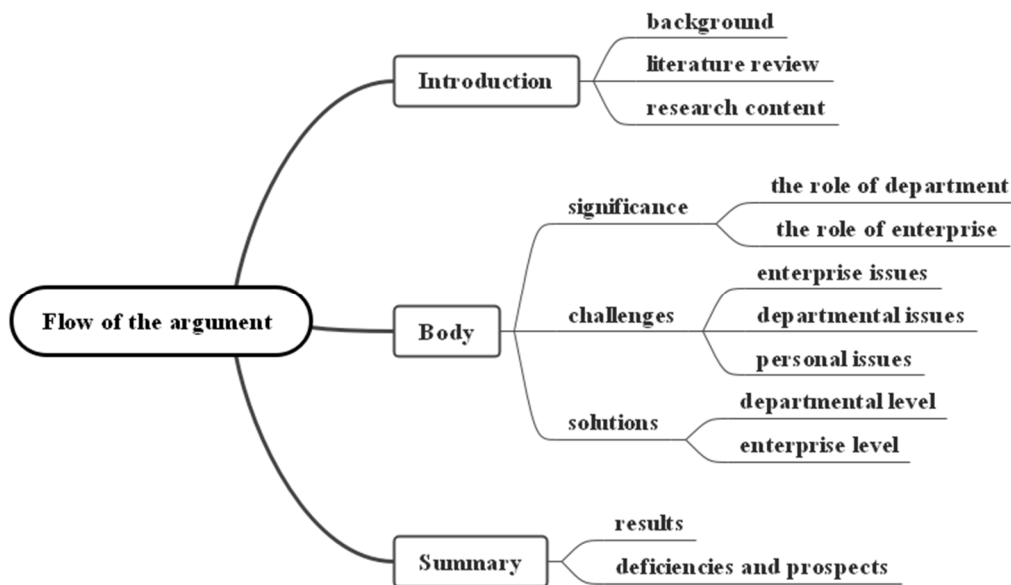


Figure 1. Diagram of the line of thought (The idea diagram is generated based on the content of this article)

## 2. The Significance of Financial Cross-Departmental Communication

### 2.1. The Role of Department

(1) Enhance department trust: Based on effective communication with other business departments, the finance department can make the connection between departments closer and establish a more trusting relationship, which has a great role in promoting the formation of a good working atmosphere and strengthening teamwork.

(2) Forming synergies: The financial department clarifies the goals and tasks of their respective departments through communication with other departments, so that their

respective departmental goals are also consistent with the strategic objectives of the enterprise, so as to form a synergistic effect of the enterprise as a whole and jointly promote the development of the enterprise and the improvement of competitiveness.

(3) Improve work efficiency: If the cross-departmental communication between the financial department and other business departments of the enterprise is good, it can effectively reduce the conflicts and contradictions between departments, reduce the friction between departments, ensure that relevant work can be carried out smoothly, and improve the overall work efficiency.

(4) Standardize the operation of the process: The cross-departmental communication of the financial department

strengthens the handover with other business departments, makes the work process between departments more standardized, which is conducive to the standardization and normalization of the company's internal financial management process, and ensures that financial activities can comply with finance-related laws and regulations and the company's articles of association.

(5) Promote the sharing of information: The communication between the financial department and other departments can help more information to circulate and transmit between various departments, so that each department can get the information they need in a timely manner, and accelerate the ability to meet the needs of the department for information. In this way, the information can better serve the various business functions, and then improve the efficiency of information utilization.

## 2.2. The Role of Enterprise

(1) Optimize resource allocation: Through cross-departmental communication with other business departments, the financial department can better understand the use of funds and other resources of other departments, facilitate the corresponding resource adjustment, strengthen the supervision of the use of enterprise funds and other resources, ensure the efficient use of enterprise funds and other resources, and improve the use of enterprise funds.

(2) Strengthen risk control: The cross-departmental communication of the financial department can timely understand the problems and risks arising from the capital operation of other business departments, and quickly carry out corresponding solutions to the risks and problems to reduce the financial risks of the enterprise. At the same time, it is also possible to formulate a financial risk prevention plan based on the information gathered through past communication to mitigate the potential risks of the enterprise.

(3) Strengthen decision-making support: Through the communication between the financial department and other departments, financial personnel can collect more comprehensive and detailed information, strengthen the management and supervision of financial information by the financial department, better conduct financial analysis, and provide strong information support for corporate management to make relevant financial decisions.

(4) Strengthen budget management: The financial department can have a deeper understanding of the demand for financial resources of other business departments of the enterprise through cross-departmental communication with other business departments of the enterprise. On the basis of understanding these needs, the finance department can formulate a more realistic financial budget plan, implement the budget plan and strengthen the supervision of budget implementation, and ensure that each department can operate within the budget range of the enterprise.

(5) Forming an overall concept: The cross-departmental communication of the financial department, by strengthening the communication with other business departments, makes the financial department and other business departments jump out of their own departments, no longer stick to their own professional perspectives, but from the overall perspective of the enterprise, consider the relevant business issues, and indirectly promote the long-term development of individuals and enterprises.

## 3. Challenges of Cross-departmental Communication in Finance

### 3.1. Challenges for Enterprise

(1) Obstacles in the departmental structure: When the organizational structure of the enterprise is too hierarchical, it will cause such a situation. Even if the employees of the grassroots department have a good idea, it takes a long time to inform the final relevant decision-maker, and then it takes more time to inform other departments, resulting in slow cross-departmental communication efficiency. At the same time, because of the different structures between departments, the workflow between different departments will become complex, and the review procedures will be numerous, resulting in a plummeting work efficiency.

(2) Inconsistent departmental goals: Generally speaking, the goals within departments are the same, but the goals between departments are difficult to be the same. The objective of the finance department is to accurately record and report the company's capital flow, account for and supervise the company's capital operation, and minimize the company's cost expenditure. However, the other business units of the enterprise do not aim for this, such as expanding sales, managing relationships with corporate customers, etc. This kind of inconsistency of goals between departments will lead to different work priorities of enterprise departments, different concerns of department employees, and in the case of unsmooth work, it is easy to break out of cross-departmental contradictions, which makes the cross-departmental communication of departments fail.

(3) Unclear rights and responsibilities of departments: The division of labor between enterprises is unclear due to various reasons, and the ambiguity of responsibilities and rights has produced the result of "someone has done everything", which in turn affects the efficiency of cross-departmental communication between various departments. For example, the financial department may be responsible for part of the accounting information work, and the information department of the enterprise may also be responsible for part of the corresponding work, so in the absence of accurate definition of responsibilities, it will lead to the financial department and the information department not knowing the scope of their respective jurisdictions, and once there is a problem, they will pass the buck to each other, and effective cross-departmental communication cannot be guaranteed.

### 3.2. Departmental Issues

(1) Lack of trust in the department: Because the job responsibility of the financial department is to carry out the accounting and control supervision of financial resources such as funds, then there will inevitably be a standard of control and the degree of implementation. If it is too controlled, it will make other departments feel that the financial department is not enough to support their work, resulting in dissatisfaction and conflict between departments, which is not conducive to cross-departmental communication. At the same time, if the finance department does not disclose the financial data, it may also lead to misunderstandings of the finance department by other business departments, which is not conducive to cross-departmental communication.

(2) Asymmetry of departmental information: The information possessed by different departments is generally different, most of the information of the financial department is about the data of financial work, and most of the

information of the human resources department is about the data of human resource management.

(3) Cross-departmental competition for resources: Resources are generally fixed for an enterprise, in the case of established resources, different departments may refuse effective communication in order to protect the interests of their own departments, ignore the interests of the overall situation, and strengthen departmental competition rather than cooperation.

(4) The unique working hours of the financial department: The working hours of the financial department have its particularity, and they will be very busy at the end of each month or year, and they will need to have a lot of cross-departmental communication with other business departments, but other business departments may not understand the time difference in this work, and even feel annoyed by the inquiries of the financial department at the end of the year, which will also lead to the failure of cross-departmental communication.

### 3.3. Personal Issues

(1) Barriers based on professional knowledge: Generally speaking, the communication language of the finance department is financial information, such as financial data, etc., which is easy for employees in the finance department to understand, but for other business departments, these data are obscure. In addition, with the high development of financial informatization, a lot of financial data processed by computers is a bunch of numbers for non-professional employees without data visualization, which is meaningless, which will also lead to unsmooth cross-departmental communication.

(2) Differences in the values of department employees: In different departments, due to the differences in the education level and growth background of the employees in the department, the values of employees will be divided or contradictory, and the different evaluations of things will make the communication barriers between departments and become the invisible internal friction of the enterprise.

(3) Ability limitations of department employees: Because the personnel of the finance department may lack cross-departmental communication skills, such as empathy and listening skills, it will lead to different employees in different communication performance. Some employees are good at communicating with people, but others are not good at communicating with people. When the finance department selects employees who are not good at communicating with people to connect with other departments, it can lead to poor communication between departments.

## 4. Solutions of Cross-departmental Communication in Finance

### 4.1. Departmental Level

(1) Enhance departmental trust: Enhance the trust between different departments, on the basis of fully considering the overall goals of the enterprise and the specific objectives of the department, appropriately reduce the excessive control of some responsibilities of the department, and transfer certain authority to other departments on specific occasions, so as to strengthen the understanding of other business departments. Take the financial department as an example, when the financial department audits a reimbursement form, it may need a variety of vouchers to prove, but for some reasons,

some vouchers can not be obtained. In this case, the financial department should reduce the audit restrictions on the reimbursement form on the basis of not violating the accounting legal norms, and allow other business departments to sort out the vouchers internally and reduce the number of vouchers audited.

(2) Break down professional barriers: The work requirements are different between different departments, so the professional knowledge required between departments is also different[6]. This requires that departments can use relevant technical means or artificial methods to transform some obscure professional information into easy-to-understand information, so as to help employees in other departments understand and break down professional barriers. For example, the finance department can use BI software to turn the data in the financial statements into easy-to-understand charts and graphs that can be submitted to the relevant other business units.

(3) Strengthen information sharing: Sharing information means that different departments need to upload the business information of each department with the help of the internal system of the enterprise, so as to facilitate other business departments to use the system to find and reduce information asymmetry. For example, the finance department can use the financial cloud platform to make financial data public and enhance the transparency of financial information. It is also possible to hold relevant cross-departmental meetings to introduce the current work content and problems of each department at the meeting, and promote information sharing among various departments of the enterprise.

(4) Clarify the responsibilities of the department: The responsibilities of the department are the bottom line of the department's work, and the enterprise needs to clearly stipulate the specific scope of responsibilities of each department under the established strategic objectives to ensure that each functional department can work within the scope of their respective responsibilities. For example, the financial department needs to ensure the accuracy of financial information within the scope of financial data informatization. At the same time, the information department needs to ensure that the data can be accessed by other departments at any time, and the responsibilities of the two departments must be clearly defined to ensure that the data can be accurately and standardized.

(5) Strengthen departmental tolerance: Due to the different work characteristics of each department, for example, the work of the financial department will be very busy at the end of the month and the end of the year, and the sales department will be more busy during the holidays, which will lead to different distribution of communication time between various departments. At the same time, when there is a conflict between departments, it is necessary to understand each other and solve problems together with the goal of realizing the overall strategy of the company.

(6) Improve the ability of employees: As an important component of the department, employees also play a key role in cross-departmental communication. Enterprises and relevant departments can carry out relevant cross-departmental communication training by carrying out relevant communication lectures to help employees better master the soft skills of cross-departmental communication, such as influence and empathy. Taking the finance department as an example, employees in the finance department can fully master the skills of cross-departmental communication by

learning relevant cross-departmental communication theories and relevant case studies, such as allowing other departments to better accept the requirements of the audit voucher of the reimbursement form, and when communicating with other business departments of the enterprise, they can choose appropriate communication skills in a timely manner to promote the smooth progress of cross-departmental communication.

## 4.2. Enterprise Level

(1) Adjust the organizational structure: As the organizational structure of the enterprise is becoming more and more flat, the enterprise needs to actively accept this change, integrate some positions with a high degree of overlap of responsibilities, and reduce the structural level of the organization. At the same time, the structure of the organization needs to comprehensively consider the work characteristics of each department, so as to establish an organizational structure suitable for each department and reduce the hierarchical barriers to communication between departments. For example, the organizational structure of the finance department needs to be aligned with the human resources department and the information department in the overall organizational structure of the enterprise to simplify the work and communication process and adapt to the needs of cross-departmental communication.

(2) Integrated departmental objectives: The objectives of each functional department need to coincide with the strategic objectives of the enterprise, and under the leading planning of the enterprise, formulate specific objectives of each functional department, so that the work of each department is for the same goal. For example, the financial department needs to formulate the operation plan of the specific financial resources of the department in combination with the overall strategic objectives of the enterprise. The human resources department also needs to formulate the plan of the human resource management of the department on the same basis, and the specific goals between the two departments are linked through the overall strategic planning of the enterprise to jointly promote smooth communication between departments.

(3) Reasonable allocation of resources: Different functional departments have different needs for enterprise resources, which requires enterprises to comprehensively consider the specific needs of each department when allocating resources, and determine the weight ratio of allocation according to the work tasks between departments as much as possible, so as to improve the objective accuracy of resource allocation, reduce conflicts of interest between different departments, and promote the smooth progress of cross-departmental communication. For example, most of the tasks of the financial department are the accounting and supervision of funds, which requires the enterprise to allocate more technology and funds to the financial department that are conducive to accounting and supervision, and the human resources department needs more relevant technology and funds for personnel recruitment, training and assessment. Then, the enterprise needs to make a trade-off between the needs of these two departments, formulate an appropriate allocation ratio of funds, and meet the resource needs of the two departments at the same time.

(4) Create a unified culture: The culture of the enterprise is the spiritual pillar of the sustainable development of the enterprise[7]. This requires enterprises to create a harmonious and inclusive culture as a whole based on their own

development plans and business strategies. At the same time, according to the overall culture of the enterprise, strengthen the construction of open culture among various functional departments, build a unified cultural atmosphere from within the department to the department and then to the enterprise, and build a solid spiritual foundation for cross-departmental communication. Finance departments, for example, need to create a culture that is grounded in objective facts and data, while strengthening connections with the rest of the business.

Of course, there are other aspects of cross-departmental communication skills, such as using humorous tones, presenting facts without personal attacks, and being open and honest about issues without concealment.

## 5. Summary

### 5.1. Results

Leveraging literature review methodology and integrating management communication theories, this study examines the significance and barriers of cross-departmental communication within financial departments. Based on identified obstacles, it proposes targeted solutions. At the departmental level, measures include enhancing departmental trust, breaking down professional barriers, strengthening information sharing, clarifying the responsibilities of the department, strengthen departmental tolerance, and improving the ability of employees. At the enterprise level, adjustments to organizational structures, alignment of departmental objectives, reasonable allocation of resources, and cultivation of a unified corporate culture are essential. This research offers practical recommendations to facilitate effective interdepartmental collaboration for enterprises, thereby enhancing their market competitiveness.

### 5.2. Deficiencies and Prospects

Taking the finance department as an example, this paper discusses the cross-departmental communication barriers and solutions of the finance department, but does not study the cross-departmental communication problems of other business departments of the enterprise, and lacks a more comprehensive analysis and summary. This is the research deficiency of this paper, and it is also the direction that can be further explored in the future.

Otherwise, this paper only conducts research on cross-departmental communication based on the literature research method, and does not combine more specific and quantitative research methods such as case analysis method and empirical analysis method, which makes the research in this paper lack more accurate data support and interest. Therefore, the addition of relevant case studies and data modeling research is also an aspect of in-depth analysis of cross-departmental communication in the future.

## Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this paper.

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