Communicating the financial impact of the GFC: a study of the annual reports of Australian NFP aid and development organisations
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Abstract

Purpose: To analyse the extent and nature of the communication of the GFC’s impact in the annual report narratives of a selection of Australian NGOs

Design/methodology/approach: The content of the annual reports of 10 Australian NGOs is analysed for their use of Impression Management (IM) techniques

Findings: All organisations experienced some financial impact from the GFC, with all but one referring to this in the narrative of their annual reports. This narrative was very limited however, indicating a missed opportunity to communicate with stakeholders. Furthermore, of the 9 orgs that did provide disclosure of the GFC’s impact, 8 of them used at least one IM technique in their narratives, thus reducing the transparency of their communication.

Research limitations/implications: This study provides a detailed analysis of a limited number of organisations in just one Australian NFP sub sector, international aid. Further research could broaden this study include more NGOs or organisations in other categories of the sector.

Practical implications: In the current economic environment NFPs face ongoing resourcing and operational issues. The meaningful and transparent communication of these issues with their stakeholders will help to build a robust relationship that can ensure the future sustainability of organisations and the sector.

Originality/value: IM has been employed primarily in quantitative studies of profit-oriented organisations. This qualitative study focusing on the NFP sector not only reinforces the recognised need for narrative communication by NFP orgs, but also provides evidence of the quality of the communication currently provided.

Keywords: Global financial crisis; Australian NGOs; impression management; annual reports; financial reports