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COMMUNICATING THE IMPACT OF THE GLOBAL FINANCIAL CRISIS IN ANNUAL REPORTS: A STUDY OF AUSTRALIAN NGOS

Helen Irvine* & Kshitij Khanna

Queensland University of Technology

*helen.irvine@qut.edu.au

ABSTRACT

Purpose: This paper analyses the extent and nature of communication about the impact of the global financial crisis (GFC) in the annual report narratives of Australian NGOs.

Design/methodology/approach: The annual reports of 10 Australian NGOs are content analysed for information about the impact of the GFC and the use of Impression Management (IM) techniques.

Findings: All organisations in the study experienced some financial impact from the GFC, with all but one referring to this in their annual report narratives. This information was very limited, indicating a missed opportunity to communicate meaningfully with stakeholders. Furthermore, of the nine orgs providing disclosure of the GFC's impact, eight used at least one IM technique, arguably reducing the transparency of their communication.

Research limitations/implications: This study provides a detailed analysis of communication about the GFC's impact in a limited number of NGOs. Further research could broaden this study to include other organisations in the not-for-profit (NFP) sector, to consider other modes of communication, or to examine communication patterns at other times of crisis.

Practical implications: All NFP organisations, including NGOs, face resourcing challenges, particularly in times of economic uncertainty. With their mission focus, NFP organisations must balance the need to communicate information about their financial needs with the need to communicate news that could potentially reflect negatively on stakeholders' impressions of their worthiness and effectiveness. Improved communication and greater transparency are the goals of corporate reporting initiatives. Examples of communication patterns will assist NFP managers in framing their narratives for annual reports and other modes of communication.

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 organisations, but also provides evidence of the quality of the communication currently provided.

Keywords: Global financial crisis; Australian NGOs; impression management; annual reports; aid and development; communication