

Towards an Understanding of Annual Reports of University and Technikon Libraries in South Africa

A.J. Swanepoel and I.P.J. Smit

Because of the almost total absence of research on annual reports of university and technikon libraries in South Africa, very little is known about the everyday use of their reports outside their institutions.¹ This article reports the findings of a survey aimed at obtaining more knowledge on the topic. Areas covered include the purpose of annual reports of university and technikon libraries, issues included in those annual reports, recipients of the reports, promotion and distribution of annual reports, availability of annual reports, and feedback. The findings presented a wealth of information previously not available or known and also draw attention to a number of issues that could lead to further research.



Annual reports play an important role in the corporate world. It is common practice for shareholders, creditors, and analysts to use annual reports as credible, confirmatory databases of information. Not only are they reliable tools for assessing management's stewardship and performance, but annual reports also are generally used for predicting, comparing, and evaluating potential cash flows and for making comparisons with other entities and with the industry and the economy as a whole.

Managers also use corporate annual reports as tools for attracting sources of financing or facilitating investment decisions; for showcasing company products and services; for responding to the public's expectations; and for meeting statutory and regulatory requirements.²

The importance of annual reports in the corporate world is underlined by the

depth and amount of research done annually on the topic of annual reports. It includes issues such as the usefulness of annual reports, the future of annual reports, the readers of annual reports, annual report trends, and content analyses of annual reports.³⁻⁷ The latest developments and trends in corporate annual reporting also feature regularly at conferences, at annual competitions for the best annual report, and in newsletters and journals specifically aimed at corporate annual reporting.⁸⁻¹⁰

The Role of Annual Reports in University and Technikon Libraries

From the introductory remarks above, it should be clear that many indicators point to the important role that annual reports play in the corporate world. However, it is far more difficult to come to a conclusion about the role of annual reports in libraries, in general, and in academic li-

A. J. Swanepoel is Deputy Director of Library Services at Technikon Pretoria and I. P. J. Smit is a Statistical Analyst at the Directorate of Research and Development at the same institution.

braries, in particular. There is little theory on the subject and no extended literature base to highlight the role of annual reports. Apart from a number of articles on the annual reports of Australian university libraries that appeared in *Australian Academic and Research Libraries*, one does not see or read much about the practical use or application of annual reports of academic libraries.¹¹ This situation surely applies to university and technikon libraries in South Africa as well.

The most recent research on annual reports of South African university libraries was published almost twenty years ago. In a 1983 article, Reuben Musiker compared the contents of the annual reports of seventeen university libraries in terms of the number of (1) books and bound periodicals in stock, (2) items issued to borrowers, (3) interlibrary loan transactions, and (4) photocopies made.¹² In addition, he reviewed a few other topics featured in the annual reports, such as progress in computerization and developments in new library buildings.

Although Musiker recommended that an advisory body consisting of the heads of university libraries "give attention to the possibility of establishing a set of standards which could be used as guidelines in the preparation of an annual report," his recommendation was never taken up by the then Inter-University Library Committee.¹³

Apart from the almost total absence of research on the topic of annual reports of South African university and technikon libraries, very little, if anything, is known about the everyday use of their annual reports outside their institutions. This situation creates a need to learn more about the annual reports of university and technikon libraries and to try to come to some understanding of their role. Better knowledge and understanding of the annual reports of university and technikon libraries would open up various research possibilities that could lead not only to better reporting, but also to better assessment of university and technikon libraries in South Africa.

Objectives

To gain more knowledge of the annual reports of university and technikon libraries in South Africa, and subsequently to start with an up-to-date knowledge base on the topic, the objectives of a recent study were to obtain answers to the following questions:

1. Who is responsible for compiling the annual reports?
2. What is the purpose of annual reports of university and technikon libraries?
3. What issues are included in those annual reports?
4. Who are the recipients of the reports?
5. How do university and technikon librarians market or promote their annual reports?
6. How available are the reports?
7. How often do they get feedback on the annual reports?

Method

To find answers to the questions mentioned above, a questionnaire was sent in 2001 to all university and technikon libraries in South Africa, excluding those of privately owned institutions. The issues covered in the questionnaire all related to the questions above.

Because there are relatively few university and technikon libraries in South Africa, questionnaires were sent to the total population of twenty-two university and fifteen technikon libraries.

Of the thirty-seven questionnaires mailed, thirty-one were returned. However, one university library indicated that it had ceased to publish annual reports three years earlier and therefore could not take part in the survey. Thus, the survey was limited to the remaining thirty-six university and technikon libraries that publish annual reports. The exclusion of the said university library reduced the population to thirty-six and the respondents to thirty.

Some university and technikon libraries in South Africa do not publish their own or separate annual reports, but their annual reports, or parts thereof, are included or incorporated into their parent

institutions' annual reports. Therefore, the questionnaire made provision for libraries to submit data on any one of the two kinds of annual reports, or both, whatever was applicable to a particular library.

The results were entered into a spreadsheet program and converted by the SAS program (Statistical Analysis Software, Version 8.1) to frequency tables for all variables.

Results

It appeared that of the thirty libraries responding to the survey, twenty belong to a group (group 1) that publishes their own

annual reports and twenty belong to a group (group 2) whose annual reports, or parts thereof, are included in their parent institutions' annual reports. From the above, it is clear that ten libraries belong to both groups, publishing their own annual reports and having them, or parts thereof, included in their parent institutions' annual report.

Preparation of Annual Reports

Section A of the questionnaire dealt with two questions regarding the preparation of library annual reports. The results show that, in 95 percent of cases, the re-

TABLE 1
The Purpose of Annual Reports of Libraries

Purpose	Separate or Own Reports (Group 1 Libraries) n=20			Library Reports Incorporated in the Parent Institutions' Annual Reports (Group 2 Libraries) n=20		
	Yes	To some extent	No	Yes	To some extent	No
To present a general overview of key trends and highlights	84%*	16%*	0%*	90%	10%	0%
To inform management	80%	20%	0%	75%	15%	10%
To keep a record of the library's performance	80%	20%	0%	53%*	26%*	21%*
To present a program report (e.g., whom the library serves and how it serves them)	63%*	21%*	16%*	53%*	31%*	16%*
To present financial statements	20%	40%	40%	10%	30%	60%
To market the library	50%	40%	10%	60%	35%	5%
To influence policy makers	45%	45%	10%	40%	40%	20%
To gain recognition	40%	50%	10%	42%*	42%*	16%*
To give an overview of future plans, strategies, and directions	35%	40%	25%	30%	45%	25%

*n = 19

- Purposes relating to presenting past information
- Purposes relating to "soft" issues
- Purposes relating to future plans, strategies, and directions

sponsibility for preparing a university or technikon library's annual report rests with the management structure of a library, but not necessarily with the head of the library.

It was interesting to note that university and technikon librarians have a fairly free hand in preparing their annual reports. Of those libraries that publish their own or separate annual reports (group 1), only 25 percent have to follow guidelines provided by their parent institution, library board, or library advisory committee with regard to content and format. Even of those libraries whose annual reports are incorporated in their parent institutions' annual reports (group 2), only 68 percent have to follow guidelines.

Purpose of Annual Reports of Libraries

Section B of the questionnaire included a number of questions regarding the purpose of the annual reports of libraries. The results are presented in table 1.

Although the questions regarding the purpose of annual reports of libraries were not listed in a particular order, they can be classified into three broad categories: (1) purposes relating to presenting past information; (2) purposes relating to "soft" issues (e.g., marketing, influencing, and gaining recognition); and (3) purposes relating to future plans, strategies, and directions.

There is a definite inclination in group 1 to regard the purpose of their annual reports to be a tool to present past information. Eighty-four percent of group 1 libraries said the purpose of their annual reports was to present a general overview of key trends and highlights, whereas 80 percent said it was to inform management and to keep a record of the library's performance. The remainder of group 1 indicated that those issues were "to some extent" a purpose of their annual reports. However, the majority of libraries notably disregarded two other issues that also deal with past performance. Those issues are to present a program report and to present financial statements. It is worth noting that of all the listed purposes the

presentation of financial statements was considered by the fewest libraries as a purpose of their annual reports. Only 20 percent indicated a definite yes, compared to 40 percent who said it was not a purpose of their annual reports at all.

Fewer libraries in group 1 regarded "soft" issues such as marketing, influencing, and gaining recognition as a purpose of their annual reports. Only 50 percent or less of the libraries replied to the questions above with a definite yes.

With the exception of presenting financial statements, the issue regarded by the fewest group 1 libraries as a purpose of their annual reports was that of giving an overview of future plans, strategies, and directions. Only 35 percent of the libraries replied yes to this question.

With regard to what they considered the purpose of their annual reports, the response of group 2 was very similar to that of group 1, with two notable exceptions: A much larger percentage of group 2 did not regard it as a purpose of their annual reports to keep a record of their library's performance and regarded the presentation of financial statements even less of a purpose than did group 1 libraries.

In conclusion, the findings indicate that the majority of university and technikon libraries in South Africa regard issues relating to past performance to be the main purpose of their annual reports. Fewer libraries regard "soft" issues such as marketing and influencing as purposes, and only a minority of libraries regard issues such as future plans, strategies, and directions as a purpose. Only a very few libraries see it as a purpose of their annual reports to present financial statements.

Content of Annual Reports of Libraries

Section C of the questionnaire listed a number of issues and asked librarians which of those issues had been included in their last annual reports. The results are presented in table 2.

Table 2 shows that the majority of libraries in group 1, that is, libraries that

TABLE 2
Content of Annual Reports

	Separate or Own Reports		Library Reports Incorporated in the Parent Institutions' Annual Reports	
	(Group 1 Libraries) n=20		(Group 2 Libraries) n=20	
Issues Included in the Last Annual Report	Yes	No	Yes	No
Library statistics	100%	0%	63%*	37%*
Overview of key trends, highlights, and accomplishments of the previous year	90%	10%	95%	5%
Breakdown of activities per library department	85%	15%	25%	75%
The chief librarian's review	70%	30%	42%*	58%*
Donations and grants received	60%	40%	30%	70%
Acknowledgments	50%	50%	37%*	63%*
List of library staff	45%	55%	10%	90%
List of library board members	45%	55%	5%	95%
Outline of the library's clients and whom the library supports	40%	60%	20%	80%
The library's mission statement	30%	70%	35%	65%
Financial statements	25%	75%	10%	90%
Organizational charts	20%	80%	5%	95%
List of suppliers	0%	100%	0%	100%
Other	0%	0%	0%	0%

*n = 19

publish their own annual reports, include issues that relate to past performance. All the libraries include statistics; 90 percent include a narrative account of key trends, highlights, and accomplishments of the previous year; 85 percent give a breakdown of activities per library department; and 70 percent include a chief librarian's review.

The least-covered issues in the annual reports of universities and technikons are financial statements (25%), the libraries' mission statements (30%), and organizational charts (20%). None of the libraries includes lists of suppliers in their annual reports.

With regard to group 2, that is, those libraries whose annual reports are included in their parent institutions' annual reports, it is clear from table 2 that the content of the annual reports of the vast

majority (95%) consists primarily of an overview of key trends, highlights, and accomplishments of the previous year. The only other issue that is covered by a fairly large number (63%) of group 2 libraries is library statistics. The chief librarian's review is included by only 42 percent, and only 35 percent include the library's mission statement.

The findings in table 2 clearly show that the content of annual reports of group 1 differs substantially from that of group 2. Although the emphasis in the annual reports of both groups is on library statistics and an overview of key trends, highlights, and accomplishments of the previous year, there appears to be more variety and detail in the annual reports of group 1. This is probably due to the fact that group 1 has more of a free hand in deciding the content and format of their

TABLE 3
Publication Date of Last Annual Report

	Separate or Own Reports (Group 1 Libraries) n=20	Library Reports Incorporated in the Parent Institutions' Annual Reports (Group 2 Libraries) n=20
2000 and after	70%	11.11%
1999	10%	66.67%
Before 1999	20%	22.22%

annual reports and also that the annual reports of group 2 libraries often contain only a summary or selection of issues that a library would normally include in its own annual report. Notwithstanding the differences between the annual reports of group 1 and group 2 libraries, it is noticeable that very few university and technikon libraries include in their annual reports their mission statements, financial statements, organizational charts, and issues relating to clients and suppliers, all of which are issues normally included in the annual reports of the corporate world.

Publishing and Distributing Annual Reports

Section D of the questionnaire dealt with the publishing and distribution of the annual reports of libraries and was aimed at obtaining information on (1) the last time a library published an annual report, (2) the number of copies printed or published, (3) who the recipients of their annual reports are, and (4) what initiatives libraries take to distribute their annual reports.

The first question in this section dealt with the date of publication of the last annual report. The following question dealt with the number of copies printed of the last annual report. This question, however, was limited to group 1 libraries because group 2 libraries do not have control over the number of annual reports published. The responses to these two questions are reported in tables 3 and 4, respectively.

As indicated before, twenty (66.66%) university and technikon libraries indicated that they publish their own annual reports, separate from those of their parent institutions. However, of those libraries, only 70 percent published an annual report during the past year and only 80 percent published a report during the past two years. Four of the libraries (20%) published an annual report three or more years ago. It is somewhat disturbing to note that 20 percent of libraries in both groups indicated that they last published an annual report more than three years ago.

It is clear from table 4 that group 1 libraries publish a very limited number of annual reports. The majority of libraries (72.22%) publish fifty reports or less per annum.

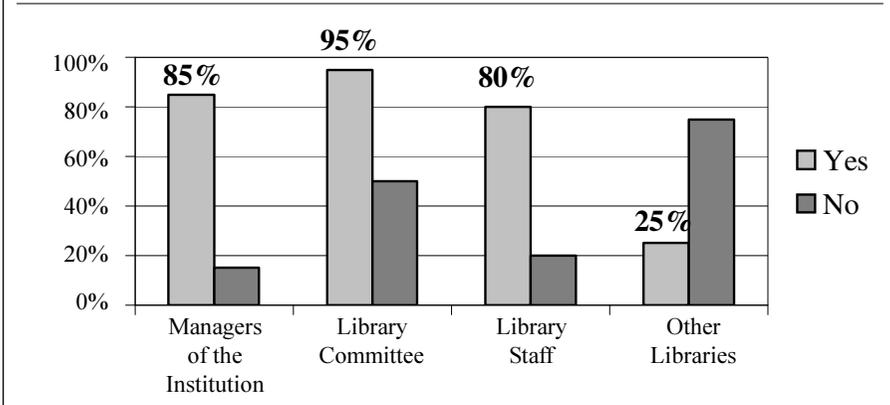
Figure 1 shows that the majority of group 1 libraries distribute their annual reports to members of their advisory committee or library board (94.74%), to managers of their institution (85%), and to their own library staff (80%). Only a relatively small number (25%) of the libraries distribute their annual reports to other libraries.

Although it is probably fair to expect that a large percentage of group 1 libraries would have recipients of their own

TABLE 4
**Number of Copies of Annual
Reports Printed or Published**

	Separate or Own Reports (Group 1 Libraries) n = 18	
Number of Copies Printed or Published	%	Cumulative %
1-10	11.11%	11.11%
11-30	44.44%	55.56%
31-50	16.67%	72.22%
51-100	22.22%	94.44%
101-150	5.56%	100.00%

FIGURE 1
Recipients on the Distribution List



institutions on their distribution list, it was somewhat surprising to note that three out of twenty libraries do not distribute their annual reports to managers of the institution and four out of twenty libraries do not distribute their annual reports to their own library staff.

Apart from wanting to know who receives copies of a library's annual report by way of a formal distribution list, the questionnaire also included a question to obtain information on other ways in which libraries distribute their annual reports. The results of this question are outlined in table 5.

The data in table 5 largely reiterate the results presented in figure 1. Table 5 shows that the majority of group 1 libraries seldom or never promote their annual reports in other ways than to distribute copies to members of their own institution or to other libraries. Only a small percentage of group 1 libraries use other initiatives, such as including copies of their annual reports in fund-raising letters or giving suppliers copies.

Like group 1 libraries, the majority of group 2 libraries focus on their own staff and managers when distributing their annual reports in ways other than by means of formal distribution lists. However, a small percentage of group 2 libraries have a tendency to broaden their scope by including conference delegates, donors, and

suppliers as occasional recipients of their annual reports.

Availability of Annual Reports

Section E of the questionnaire dealt with the availability of annual reports of university and technikon libraries. The results show that only 16 percent of group 1 libraries and 12.5 percent of group 2 libraries have their annual reports available on their institutions' Intranet.

Even fewer libraries make their annual reports available on the Internet: Only one of the libraries that publishes its own reports and two of the libraries whose reports are included in their parent institutions' annual reports make their annual reports available on the Internet.

It was interesting to note that only 53 percent of libraries that publish their own annual reports and only 67 percent of libraries whose annual reports are incorporated into their parent institutions' annual reports keep copies of the reports as information resources.

Regardless of whether or not libraries keep their annual reports as an information resource, only 77 percent of the libraries that publish their own reports have a complete set of the last five years, whereas 72 percent of the libraries whose reports are incorporated into their parent institutions' annual reports have a complete set of the last five years.

TABLE 5
Other Ways In Which Libraries Distribute Their Annual Reports

Ways in Which Libraries Distribute Their Annual Reports	Separate or Own Reports (Group 1 Libraries)			Library Reports Incorporated in the Parent Institution's Annual Reports (Group 2 Libraries)				
	n	Never	Seldom	Often	n	Never	Seldom	Often
I take enough copies to conferences.	19	95%	5%	0%	17	76%	18%	6%
I include copies with fund-raising letters.	18	72%	17%	11%	18	72%	17%	11%
I provide copies to new library board members.	19	63%	21%	11%	16	69%	19%	12%
I give copies to new library staff.	18	47%	21%	32%	17	35%	47%	18%
I circulate copies to my regular staff.	18	28%	11%	61%	17	24%	35%	41%
I send copies to news media.	18	94%	6%	0%	17	100%	0%	0%
I send copies to colleagues in other libraries.	18	61%	28%	11%	17	71%	23%	6%
I give copies to suppliers.	18	89%	11%	0%	17	88%	6%	6%

Feedback on Annual Reports

The last section (section F) of the questionnaire dealt with feedback. Table 6 shows that the majority of libraries from group 1 and group 2 libraries seldom or never get any feedback on their annual reports.

Conclusion

As indicated earlier in the article, the objectives of this research were mainly to obtain information on several issues regarding the annual reports of university and technikon libraries in South Africa and subsequently start with an up-to-date knowledge base on the topic. The findings reported in this article presented a wealth of information previously not available or known. From the findings, the following general conclusions can be made:

- The majority of university and technikon libraries in South Africa do not

fully utilize the potential applications of annual reports. They use their annual reports primarily as tools to present past information and tend to neglect other uses, such as marketing, influencing, and gaining recognition. In addition, far too few university and technikon libraries use their annual reports to give overviews of future plans, strategies, and directions. Surprisingly, although the libraries tend to focus on past performance, only a small percentage include financial statements in their annual reports—notwithstanding the fact that university and technikon librarians manage millions of rands per annum.

- Very few university and technikon libraries include in their annual reports their mission statements, financial statements, organizational charts, and issues relating to clients and suppliers, all of which are issues that are normally included in the annual reports of the corporate world.

- Those libraries that publish their own annual reports also tend to be reserved in terms of publishing and distributing their annual reports: Relatively small numbers are published. In addition, the majority of libraries that publish their own annual reports tend to limit distribution to their own institutions and neglect or ignore the possibilities of presenting their annual reports to library users, suppliers, donors, peers, news media, and so on.

- The seemingly reserved way in which university and technikon libraries go about presenting their annual reports also is noted by the manner in which they make their reports available to the general public. Very few libraries make use of either the Internet or their own institutions' Intranets to publish their annual reports. And, contrary to their nature as providers of information, almost half of the university and technikon libraries that publish their own annual reports do not make their reports available to library users.

- The reasons for the apparent underutilization and low profile of annual reports of university and technikon libraries could, among others, probably also be attributed to the fact that very few of those libraries follow, or need to follow, any guidelines when preparing their annual reports. In addition, the vast majority of university and technikon libraries seldom or never get any feedback on their annual reports.

Possible Research Topics

As indicated at the start of this article, there is an almost total absence of research on the topic of annual reports of university and technikon libraries in South Africa, and very little is known about the everyday use of their reports outside the institutions. The findings of the survey described in this article draw attention to the following issues that could lead to further research on the topic:

- A need for guidelines for compiling annual reports. Those guidelines could be in terms of minimum requirements, best practices, or other known guidelines. The guidelines could include, but should not be limited to, purpose, content, format, and presentation of annual reports.

- Regular surveys to determine whether annual reports of university and technikon libraries have improved over a period of time.

- Evaluating the effectiveness of annual reports of university and technikon libraries.

- Effective ways of marketing annual reports. This includes effective ways to cater for more audiences and best practices regarding communication and distribution.

- Ways to obtain and evaluate feedback on annual reports.

Other possible research topics that did not arise from this study, but could be worthwhile, are:

TABLE 6
Feedback on Annual Reports

	Separate or Own Reports (Group 1 Libraries) n=17			Library Reports Incorporated in the Parent Institution's Annual Reports (Group 2 Libraries) n=17		
	Never	Seldom	Often	Never	Seldom	Often
How often do you get feedback on your annual reports?	18%	59%	23%	47%	35%	18%

- how to balance the information needs of the different audiences of annual reports;

- how to change library managers' attitude to meet the challenges of good reporting.

It is believed that research on the above topics will not only improve the quality of information included in the annual re-

ports of university and technikon libraries but also will meet the changing needs of the users of those reports. Furthermore, it is believed that research will enhance the role that annual reports of university and technikon libraries can play in their institutions and in the library community, similar to the important role that annual reports play in the corporate world.

Notes

1. A technikon is a technological higher educational institution in South Africa.
2. Canadian Institute of Chartered Accountants, *Information to Be Included in the Annual Report to Shareholders* (Toronto: Canadian Institute of Chartered Accountants, 1991), 30–31.
3. Mark Clatworthy and Michael Jones, "Annual Reporting: Room for Improvement?" *Management Accounting* 77 (Apr. 1999): 1–4. Available online from <http://web6.infotrac.galegroup.com/itw/infomark/693/12/23189431w6/>.
4. Ron Blunn, "Whither the Annual Report?" *CIRI Financial Reporting Seminar* (Montreal: Canadian Investor Relations Institute, Sept. 28, 2001). Available online from <http://www.blunco.com/about/perspectives/perspective0901.htm>.
5. "Annual Reports: Who Reads Them and Why? Findings from the Yankelovich Study," @issue 1 (2001). Available online from http://cdf.org/cdf/atissue/vol1_1/yankelovich/yankelovich.html.
6. Jonathan Pite, "Annual Report Trends," *Graffiti: The Art Directors Club of Denver* (winter 1999–2000): 1–2. Available online from <http://www.adcd.com/newsletters/winter2000.pdf>.
7. Carol Ann Tilt, "The Content and Disclosure of Australian Corporate Environmental Policies" (Adelaide SA: Flinders University, School of Commerce, 22 (Research Paper Series: 99-4). Available online from <http://commerce.flinders.edu.au/researchpapers/99-4.htm>.
8. Examples are *Sid Cato's Annual International Annual Report Conference*, available online from <http://www.sidcato.com/events.htm>; and a recent conference entitled "Corporate Disclosure and the New Role of the Annual Report: Guidance on Trends in Disclosure and Transparency and Design," held on Nov. 6, 2002, available online from <http://www.niricentralfl.org/calendar.cfm>.
9. Examples are the *Czech Top 100 Best Annual Report of the Year*, available online from <http://www.czechtop100.cz/>; and the American Society of Professional Communicators (ASPC) *Annual Report Awards Competition*, available online from <http://www.asprocomm.com/AnnRpt.htm>.
10. Examples are *Sidcato's Newsletter on Annual Reports*, published by Cato Communications, Inc., and *Annual Report Information*, published by Artisan Field Inc.
11. In the 1970s and 1980s, *Australian Academic and Research Libraries* published a number of articles by Harrison Bryan and others that surveyed and reviewed the contents of annual reports of Australian university libraries. This series ceased in 1988, although a similar overview appeared in 1993. See Colin Steele and Joan Jensen, "The State of the Nation: An Overview of Australian University and Research Library Annual Reports," *Australian Academic and Research Libraries* 24 (1993): 116–26.
12. Reuben Musiker, "South African University Library Annual Reports: A Comparative Assessment," *Wits Journal of Librarianship and Information Science* 12 (Dec 1983): 63–74.
13. *Ibid.*, 74.