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## **WORKING PAPER**

# **Can resource dependence and coercive isomorphism explain nonprofit organizations' compliance with reporting standards? \***

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## **Abstract**

Nonprofit organizations worldwide are confronted with an increasing demand for accountability and improved financial transparency. Financial reporting by nonprofit organizations is no longer an exception, it has become a rule. The usefulness of a financial report to an organization's stakeholders depends upon its quality. The latter is safeguarded by reporting standards as well as the commitment of the organization to fully implement these standards. Although resource dependence and coercive isomorphism have been used in earlier nonprofit organization research, no empirical research has linked these theories to compliance with financial reporting standards.

Using a unique setting in which a large number of (very) large Belgian nonprofit organizations are confronted with far-reaching changes in financial reporting regulations, the effect of resource dependence and coercive isomorphism on accounting and financial reporting compliance is documented.