STRATEGIC DRIVERS AND ADOPTION RATE OF INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM: A CASE OF KENYAN COASTAL COUNTIES

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ABSTRACT

This research aimed to explore the effects of strategic factors on the adoption rate of IFMIS by county governments in Kenya, with a particular emphasis on the Coastal area. In particular, the researcher objective was to explore the impact of corporate culture, and staff capacity building on the adoption rate of IFMIS by county governments in the Coast region. The research used a descriptive survey methodology. This study targeted employees of the six County Governments in Kenya's coastline region, specifically those in the Finance department. Using stratified random selection, a sample of 160 respondents was chosen from a population of 1,600 employees using the probability sampling method. Utilizing survey questions, the researcher collected primary data for analysis, which was then tallied in Microsoft Excel. Quantitative approaches were utilized in the study's analysis since they provide more in-depth information. Statistical Package for the Social Sciences (SPSS) software was utilized for analysis and derivation of the association between variables via correlation and regression analysis models. In the coastal counties of Kenya, there was a substantial positive correlation between employee capacity building, organizational culture, and the adoption rate of IFMIS. These strategic drivers have a substantial impact on the adoption rate of IFMIS in the Counties; hence, the study advises that county governments create policies to guide the installation of new systems, including IFMIS. This includes completing staff capacity building to provide them with the essential skills prior to implementing any new system. In addition, the report proposes that county governments provide accommodating corporate cultures, which are essential for implementing new systems such as IFMIS.

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INTRODUCTION

The human population is fast growing and the evolving needs call for strategic management in order to effectively utilize the scarce resources. Jofre (2011) described strategic management as a way that organization or individual accomplishes its objectives. According to Zafar, Babar, and Abbas (2013), strategic management is a disciplined plan that employs management principles and processes to develop the corporate goal or mission. It selects an appropriate target to achieve the objective, evaluates the environment for opportunities and limitations, and formulates a strategy to achieve the objective. According to Nickols (2016), strategic management is an effort to realize the outcomes of strategic thinking. This is achieved through the formulation of strategies, strategic planning, and strategy execution, which comprises putting everything into action. Managers are required to assess the environment so as to know the opportunities and threats present which should be appropriately matched with the organization's strengths and weaknesses. In summary, Strategic management can therefore be viewed as carefully planning of organizational goals and supervision of the systematic execution of these plans by top management so as to yield the desired outcome.

Successful organizations are anchored on sound financial management practices. According to Mutui and Chirchir (2014), the purpose of a Public Financial Management (PFM) system is to promote fiscal discipline, value for money, the efficient and strategic allocation and use of funds, and public funds use accountability. Governments have explored strategies of managing public monies efficiently and achieving development for their citizens. According to Ahsan, Qazi, and Shahabuddin (2014), for a company to become economically rich and active, it is more than necessary to implement many application actions simultaneously. The financial and strategic capabilities of an organization are two of the most important determinants of its economic prosperity. The public sector's financial management is a significant aspect in determining the stability and performance of any public organization or government. By developing new products, services, and systems, innovation and technology management provide a competitive advantage to a corporation (Kipkemoi, 2014.) This shows that finance managers can benefit immensely by adopting and embracing innovations and systems like Integrated Financial Management System (IFMIS) that greatly impact organizational performance.

All over the world, public and private entities are applying strategic management to remain competitive in the market by adopting financial management systems. Although the existing knowledge on strategic management has raised over the years, most of these studies have been undertaken in the developed nations (Aosa, 2011). Sarrab, Shibli and Badursha (2016) studied the drivers of adoption of mobile learning (M Learning) system in Omani higher education. Similarly, the study's findings demonstrated that the usefulness, the ease of use, enjoyment, appropriateness, economic and social factors all played a role in M-learning adoption. Instructors must be motivated, made more aware of the benefits of employing M-learning, and given proper training (Sarrab, Shibli and Badursha, 2016.) It is therefore evident that the main strategic drivers that led to easy adoption of the system are a positive organizational culture and adequate training. In Latin America, Pimenta and Seco (2019) posit that adequate financial resources flow for effective maintenance of the IFMIS, with upgrades and updates, and to sustain a technical team paid at market rates is a critical strategic driver of financial management system adoption and maintenance. In Jordan, the key strategic driver for adoption of IFMIS is management support hence good organizational culture. According to Murtada and Hamdan (2016) the Ministry of Finance in Jordan has implemented an application known as General Financial Management Information System that integrates all accounting, financial, as well as administrative operations of the government and ministries and financial centers with the Ministry of Finance.

In Africa, the Ugandan government identified the need for a comprehensive financial management reform project to enhance central and decentralized government budget and expenditure management operations. Diamond and Khemani (2005), reveal that the Financial Management Information System's design and development phases had substantial delays in prior years. Mapping and configuration required the greatest time, followed by user acceptance and testing. This suggests that having adequate human resources, a maintenance budget, and full management support is a vital strategic driver. Hendricks (2012) aimed to investigate the issues and risks related with the adoption of IFMIS in South Africa. Similarly, the results of this research indicated that the strategic drivers for adoption of IFMIS in South Africa as one, adequately trained staff, secondly, positive attitude of management and staff and finally, well informed expectations. Across Somalia, Mohamud (2018) examined the factors impacting the deployment of the IFMIS in Puntland's public institutions, with a particular focus on Garowe City. The study concluded that management commitment has a major impact on the IFMIS implementation in terms of policy framework, enforcing implementation, and allocating funding for implementation. The strategic drivers of the adoption rate of IFMIS can therefore be identified as first, management commitment or positive organizational culture and secondly, proper financing.

Kenya formally implemented the IFMIS as an automated platform for handling government finances. According to Kahari, Gathogo, and Wanyoike (2015), the Kenyan government hoped to address the communication challenges and change management encountered in the pilot phase of the IFMIS implementation, which significantly contributed to the system's poor performance, by implementing the IFMIS Re-engineering process outlined in the Kenya's IFMIS Re-Engineering Strategic Plan 2011–2013. According to Osano and Ngugi (2018), corporate culture was the most important strategic driver for the rapid adoption of the IFMIS on the Republic of Kenya's public sector's performance, followed by information communication technology (ICT) infrastructure, training, and capacity building with costs being the least important variable in the research.

In conclusion, the studies above illustrate that the main strategic drivers of adoption of IFMIS in the national government include user perception (culture, attitude, user friendliness and effectiveness of the system), resources and infrastructure and capacity building. Since the promulgation of the 2010 Kenyan constitution, many functions involving financial management were devolved to the county government. The County Finance department also known as the County Treasury is established under The Public Finance Management Act (2010) section 103(1). Its powers and responsibilities are outlined in sections 104 and 105 of the same legislation, and can be stated as follows: "A County Treasury shall monitor, assess, and oversee the county government's administration of public finances and economic affairs." Since 2014, county governments have been using the IFMIS system (Mbaka, 2017). The respective county treasuries were expected to adopt the Integrated Financial Management System to bolster financial performance in their counties.

Statement of the Problem

The IFMIS platform has been implemented in County Governments since 2014 (Mbaka, 2017). The respective county treasuries were expected to adopt the Integrated Financial Management System to bolster financial performance in their counties. Adoption of a technological innovation or system such as the integrated financial management system only takes place effectively when supported by favorable conditions. According to Imre (2016), information System adoption is driven by CEO's knowledge and attitude towards Information Systems hence influencing organizational culture, prior Information Technology experience, organizational readiness, top management support, compatibility, size, IT infrastructure, non-complexity and interpersonal relations.

The various studies carried out across the Counties in the Coastal region of Kenya clearly indicate that there is a challenge regarding adoption and implementation of IFMIS. While some like Kwale and Kilifi report satisfactory adoption rates, others like Lamu and Tana River have poor adoption rates. Since the roll out of IFMIS to counties was a country wide initiative, all counties were expected to embrace the system at a reasonably similar rate as the adoption also had legal timelines. This is however not the case in the ground as some counties seem to move faster than others. In the case of the Coastal region of Kenya, it further raises interest because these are counties that share almost similar geographical, social and political characteristics. There is a gap of knowledge to explain the drivers of adoption and the varying rates of adoption of IFMIS among the counties in the Coast region. Some studies have attempted to provide explanation on the adoption of IFMIS in individual counties across the country but little or no research has been done on the Coastal region counties and their comparative adoption rates. For this reason, the researcher sought to establish the role of the strategic drivers on the adoption rate of Integrated Financial Management Information System in the Kenyan coastal region's county governments.

Study Objectives

i) To determine the relationship between organizational culture and the adoption rate of IFMIS in the Kenyan coastal counties

ii) To establish the relationship between capacity building of employees and adoption rate of IFMIS in the Kenyan coastal counties

LITERATURE REVIEW

Theoretical Review

Diffusion of innovation theory

Rodgers (1962) attempted to explain how a product or idea spreads via a population and the rate at which this happens. This is through a social science theory known as Diffusion of innovation theory. The process of diffusion culminates in adoption. Adoption is explained as behavior acquired which is different from what was being done previously or even acquisition of a new product.

According to Lamorte (2019) diffusion is achieved through four stages: awareness of the need for innovation, the decision to reject or adopt an innovative product or service, the initial use of that product or service in order to test it, and continuous use of that product or service. Innovation is viewed as a process and not a one-time occurrence. Not every innovations diffuse similarly as some will be accepted faster than others. Scholars have attempted to explain this giving a variety of reasons (Robinson, 2009);

One is the level to which an innovation is deemed to be better than the notion it supersedes, also known as relative advantage. Secondly an idea that is compatible with the past experiences, existing norms and values, and needs of potential adopters will be rapidly accepted. An innovation that is easy to understand diffuse and be adopted faster. Triability of an innovation also goes a long way in removing uncertainty and enhancing adoption. Finally, innovations that have visible results are likely to be adopted faster as this stimulates peer discussions amongst adopters and they seek more information on the innovation. It is also imperative to note that any social system is not likely to receive an idea and totally accept it at the same time. This is because of the different characteristics of the people targeted or involved. For this reason, Rodgers identified unique personality traits which help to categorize people according to how they accept a new innovation. These are the five adopter categories. (Lamorte, 2019).

First, we have the innovators. These are people are risk takers. They desire to be first to know and sample any new innovation. They like venturing and exploring unfamiliar territory. Their nature drives them to seek new products or ideas therefore an innovator does not need to do much to appeal to them. There are also early adopters.

These are mostly opinion leaders in the social system who already understands the need for change. They therefore don't need much convincing but rather just basic information on implementation of the change for instance, operational manuals for new innovations.

The third group is the early majority. These may not necessarily be leaders but are relatively faster in adopting new ideas than the late majority. They like seeing proof of performance of the innovation before supporting it. Success narratives and evidence of innovations effectiveness help in appealing to this group of people. The late majority is the fourth group of adopters. This comprises of skeptics who want concrete evidence that the innovation works and only adopt it if it has been tried by most people. These individuals need massive sensitization and information on how individuals have attempted the innovation and integrated it successfully.

Lastly we have the laggards. This is a very conservative group of people who are heavily bound by traditions and preference of status quo. They are extremely resistant to change and may need great effort to accept a new innovation. Approach to appeal to this population include statistics, fear appeals, and pressure from individuals in the other adopter groups. Moreover, technology as an innovation is bound to be affected by these factors and its diffusion and adoption rate is determined by the category in which the adopters fall. In an organization where most employees are laggards introducing technology based solutions will face stiff resistance and its adoption may take longer as opposed to an organization with many innovators or early adopters.

Technology Acceptance Model

In 1986, Fred Davis developed the Technology Acceptance Model (TAM). TAM, a version of the Theory of Reasonable Action, can be used to model users' adoption of information systems or new technologies (TORA). Davis invented this approach of documenting computer usage in 1989. Davis' (1989) TAM tries to shed light on the general elements that influence computer acceptance by using a variety of end-user computing systems and users.
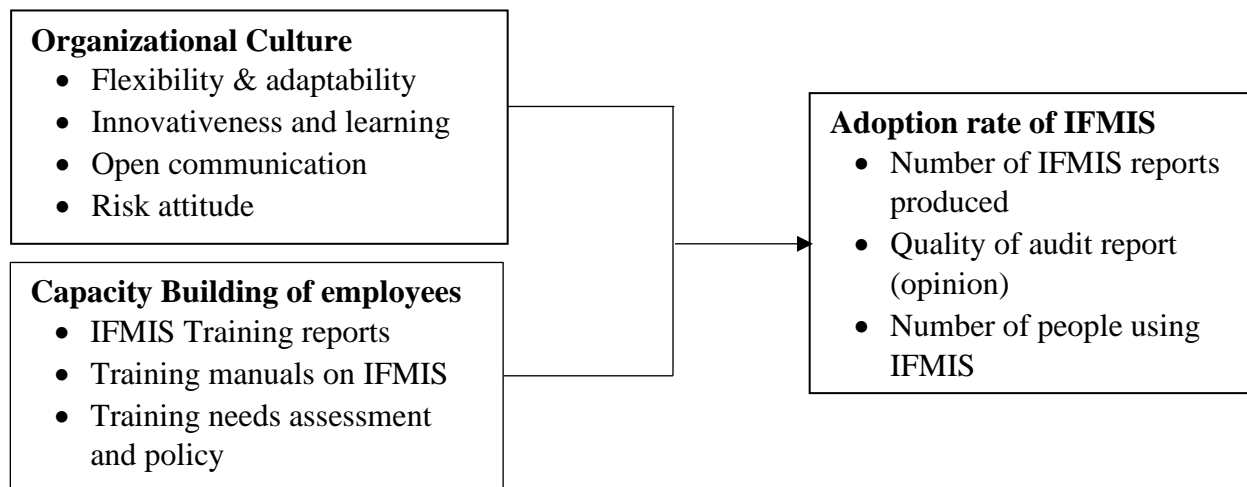
The TAM approach initially focused on PU and PEI, or perceived utility and ease of use (PEU). It is the subjective chance that using a given system will enhance a potential user's activities, as well as the level to which the potential user expects the target platform to be simple. Usefulness as perceivable (Davis, 1989). Many factors in the environment can influence how a person views an object or system. Venkatesh and Davis (1996) were able to eliminate the attitude construct in the final version of their Technology Acceptance Model because perceived utility and perceived simplicity of use had a direct impact on behavior intention.

Venkatesh and Davis (2000) added to the theory by introducing their TAM 2 model. This study looked at why users thought a system was helpful at three separate points in time: before installation, a month after deployment, and three months after that. TAM2 suggest that users' mental assessments of the fit between essential work objectives and the repercussions of completing job activities using the platform serve as a foundation for forming opinions on the system's utility (Venkatesh & Davis, 2000). According to the data, TAM 2 performed effectively in forced situations and voluntary.

Venkatesh and Bala (2008) combined TAM2 (Venkatesh & Davis, 2000) and a model of the elements of perceived ease of use (Venkatesh, 2000) into TAM3 to develop an integrated model of technological adoption. Social effect, system characteristics, individual differences, and facilitating settings are among the four types of perceived utility and perceived ease of use elements used by the authors to create the TAM3. According to research, the user's perspective or attitude toward the product or service, the perceived simplicity and usefulness of use, and the availability and accessibility of resources such as the internet, computers, and other equipment

are the most important factors influencing technology adoption.

Conceptual Framework

Organizational Culture • Flexibility & adaptability • Innovativeness and learning • Open communication • Risk attitude

Capacity Building of employees • IFMIS Training reports • Training manuals on IFMIS • Training needs assessment and policy

Adoption rate of IFMIS • Number of IFMIS reports produced • Quality of audit report (opinion) • Number of people using IFMIS

Empirical Review of Variables

Organizational culture

For any change in an organization or social system to happen, the top management must be in full support and the staff should have a positive attitude so as to embrace the change or innovation. According to Mutui and Circhir (2014), effective implementation of strategy change is dependent on the involvement of senior management. The employee's dedication to the strategic direction is another crucial aspect of adopting a strategy. Clearly, this is a prerequisite for strategy implementation. Adoption and deployment of a new technology necessitates management and staff commitment to technological, skill, and even responsibility changes (Biwott, 2015.) Given the IFMIS's complexity, the commitment will significantly enhance the organization's integration of the system. Kimani (2017) asserts that the support and dedication of senior management are vital to the launch and acceptance of ICT-related activities. It has considerable effect over the behavior of other members within the organization. The senior management can enhance the entire firm to study and engage in integration of ICT through a long-term strategic vision.

Davar Azarmi (2016) conducted a research to explore the factors impacting technology innovation and its commercialization in organizations. He sought to find out how a technological innovation is quickly adopted and incorporated into business processes for economic gain. Desk review was used to identify the major factors and Friedman test used to rank them based on importance. The study indicated than one factor was ideology of a firm which comprises of vision, mission, values, flexibility and culture. According to Casson (2010) culture is the way by which the firms workers comport themselves, handle social transactions in the organization. Barret, Balloun and Weinstein (2012) define flexibility as the level by which the organization structure and organization can change to adapt itself to disruptive and innovations changes in the sector. This therefore indicates that for an innovation to be readily adopted in an organization, there has to be a culture that embraces change, flexibility and tolerant to alternative ways of conducting business.

Robinson (2009) conducted a study to determine the qualities that make innovations spread by reviewing several research studies and field tests. One of the factors that he observed was key to quick adoption of an innovation is compatibility with existing values and practices. He noted that

adoption is faster where the innovation is found to be consistent with the past experiences, values, norms and practices of the adopter. In other words, a new technology or system is adopted easily and faster if the recipients do not view it as an affront to the existing organizational culture, norms and practices. They should have an open and accommodative view to the new system, showing a supportive attitude, from the senior managers to the junior most officers.

In the United States, Lu June (2014) explored the impact of social influence on mobile commerce user retention intent. The level to which social network members' impacts one another's behavior is referred to as social influence in this study (Rice et al., 1990 as cited by June, 2014). A survey was used to gather data for testing the study concept. Data was gathered from graduate and undergraduate students in offline and online classes at a regional institution throughout the 2011-2012 academic year. Similarly, the data was collected from 323 (86%) of the 376 participants who used m-commerce on their smartphones. Peer and significant other effects had an effect on users with negative views toward m-commerce and female users, according to the study. Users' assessments of the utility of m-commerce were influenced by current societal discourses. Experienced users, celebrities, family members, colleagues, and friends in complex social networks are likely to have an impact on one's behavioral intention. For a variety of reasons, the user may place a higher importance on information and opinions from specific members, and as a result, their judgments may be influenced more. This shows that an organization's management and staff's culture, socialization, and beliefs, particularly their attitude toward a new technology or system, are important factors in its acceptance.

Biwott (2015) conducted a survey to assess the implementation and effect of an IFMIS on Kenya's national government's procurement performance. This study employed a cross-sectional survey methodology to examine all national government ministries at their respective national level points. Besides, the study target population comprised of the eighteen ministries falling under the national government. The target respondents were all procurement managers in the ministry headquarters. Findings of the research revealed that IFMIS adoption and implementation is hampered by resistance due to unwillingness to accept the fear and change of the loss of their positions due to IFMIS implementation. This resistance reduced the level of acceptance of IFMIS as a method of conducting e-procurement hence impeding its successful implementation. Clearly, this points out to an organization which has a negative perception to IFMIS and the organizational culture being less receptive to change and innovation initiatives. During the research, time was a major constraint, making it difficult to obtain more than one respondent from each ministry.

Kimwele (2011) evaluated the aspects impacting effective IFMIS implementation in Kenyan Government Ministries. Moreover, the study's goal was to establish the efficacy of IFMIS implementation in Kenyan government ministries, as well as the factors that impact its success. The study concluded that the apathy of upper management was impeding government employees' use of the IFMIS system. The supervisors lacked motivation and were unfamiliar with the IFMIS system. It is imperative to note that top management in an organization usually set the organizational culture. If there is a negative attitude then adoption of IFMIS will not be successful. Management should therefore be proactive and facilitate an enabling environment and supportive organizational culture for adoption.

Cherotich and Bichanga (2016) explored the aspects that influence the deployment of IFMIS by Kenyan county governments. The researchers used a descriptive design and the target audience was county government IFMIS users. Besides, 180 county staff who use IFMIS were polled in five jurisdictions. Data was collected via a questionnaire, which was then analyzed using descriptive design. Also the researchers stated that

in order for counties to adopt IFMIS more effectively, it must be accepted by all stakeholders and this is achieved by educating them on its significance and consulting them more. Also, management could also lead by example, becoming more supportive and proactive. This means the organizational culture should be favorable to allow adoption of IFMIS.

All the studies above underscore the importance of organizational culture as a driver of adoption of IFMIS by county governments. It involves the attitudes, perceptions, values and experiences which translate to norms, traditions and practices by both top management and staff in an organization towards an innovation or new system. The organizational culture should be positive and favorable so as to enable adoption of the new system. There should be full management support, a progressive learning attitude by staff and general acceptance and positivity towards the system for successful adoption.

Capacity building of employees

Capacity building of the users of any new technology or system is vital in ensuring satisfactory adoption. Internal opposition to change, technological barriers, and a lack of ICT training for staff, according to AlRashidi (2014), are among the issues leading to the failure of e-government programs. The IFMIS program is a government project aimed at encouraging economic prudence. Individuals working on this project must have a thorough understanding of IFMIS, including how it works, any problems, and how to get the most out of the system. Human resources refers to the complete workforce of a firm, from management to entry-level employees. Capacity building and training, according to Biwott (2015), entails providing relevant staff with the skills required to operate the IFMIS. Effective training of end user and technical staff minimize resistance to change due to staff awareness on the need for new system (Mugambi, 2011).

Cherotich and Bichanga (2016) explored the aspects that influence the deployment of IFMIS by Kenyan county governments. The study utilized descriptive study design and the target audience was county government IFMIS users. Besides, 180 county workers who use IFMIS were polled in five jurisdictions. Data was gathered via a questionnaire, which was then analyzed using descriptive study design. The study discovered that the difficulties of human capital development has not been explored appropriately. Besides, the majority of counties failed to provide sufficient IFMIS training to their employees; there were no regularly scheduled IFMIS skills upgrading courses; and there was little incentive to keep IFMIS-trained employees. This indicates that for adoption of IFMIS to happen, staff in the county government should be adequately trained and proper policies put in place to retain the trained and experienced employees in the counties.

Hendricks (2012) assessed the challenges and risks associated with implementing IFMIS in South Africa. A literature review was used as the methodology, in which theories were investigated and utilized to solve a study topic. Solutions and instructions for dealing with encountered difficulties and risks were developed based on theoretical research. According to the research, capacity building is a major driver of IFMIS adoption, and a strong training program is critical to the project's success in unlocking user readiness and ensuring the system's long-term viability (Vickland & Nieuwenhuijs 2005:101). Furthermore, it is critical to build a learning environment in the project and to consider the entire process as an opportunity of learning, with training as a continuous activity, to establish the appropriate capacity. Senior executives, executives, technical staff and users should all be trained on using the new technology and its impact organizational processes. Moreover, a well-defined training program will also help users build confidence and capacity by assuring them that some constants will remain despite the change.

Mwangi, Kiarie, and Kiai (2016) conducted a study in Nyeri county government to see if there was a link between IFMIS adoption and customer

satisfaction. The respondents were Nyeri County Government vendors and workers, and the research design was descriptive. In the data collection process, a self-administered questionnaire was used. Besides, a regressive analysis and descriptive design were used. The questionnaires were provided to 38 people, and they all filled them out and returned them. According to the statistics, 66% of respondents said they had no training in implementing IFMIS. They gave the training program an average rating for the 39.5 percent who were informed, revealing that it was not completed satisfactorily. Besides, the county government should work with the national IFMIS ability to create department to localize training programs for committee members, staff, general public and county Assembly members, according to the study. To encourage the spread of IFMIS technology, the county government should implement a policy that ensures the development of stakeholder capacity building.

The goal of Kahari, Gathogo, and Wanyoike (2015) was to find out what factors influenced the adoption of the IFMIS by Kenyan county governments. The research in Nyandarua County used a descriptive survey research approach, using seventy employees as the target group. A census design was used in the study. The data collection was done using structured questionnaires, and the Statistical Package for the Social Sciences was utilized in the data analysis process. The study outcome were provided in statistical tables, which comprised both descriptive and inferential statistics. Capacity building exercises were considered to be necessary to guarantee that the teams and key workers included in IFMIS have the critical competencies to offer robust support for IFMIS. The researchers also recommended that the county government put more effort on strengthening the IFMIS project team's capacity and ensuring the continuity of important personnel in the platform's implementation by ensuring that the terms of employment and salary structure are comparable to the private sector and by providing training to its personnel. In addition, the county government should develop an atmosphere that encourages external consultants with the requisite skills and talents to apply.

The studies reviewed above all point to the undeniable fact that adoption of IFMIS will only take place when there is adequate training and the users are confident enough to handle the technicalities of the system. This applies to both management staff as well as the junior cadre staff so that engagement and problem solving is done when all are in the same page. Constant refresher courses are also vital so as to keep up with the evolving technological world. Capacity building is therefore a key driver to adoption of IFMIS.

RESEARCH METHODOLOGY

This research study was descriptive survey research design. the population of this research was 1,600 employees of the six county governments in the coastal region of Kenya. These are officers in both senior and junior cadres of employment. The target population was the County Government officers working in the finance department. A probability sampling mechanism was used in this study. The researcher used stratified random sampling method in sample selection whereby 160 respondents were randomly selected from a population of 1,600 employees. This sample size was based on the Cooper and Schindler sampling approach. There were six strata according to the six counties in coast region. Sample size per county was computed as a proportion of the number of finance staff in the county compared to the target population.

Data that was collected by the researcher was primary data and this was done by the use of survey questionnaires. The data collected in the questionnaires was tabulated in Microsoft excel software for analysis. Qualitative methods were applied as they provide in-depth information about the study and both the dependent and independent variables are discrete or categorical in nature. SPSS software was used to provide frequency tables. Findings were presented using pie, bar graphs, tables, and charts.

RESEARCH FINDINGS AND DISCUSSION

The research intended to gather data from 160 respondents. Out of these questionnaires issued, 151 were filled and returned to the researcher. This represents 94.4% return rate. There was no response from 9 respondents. Besides, the response rate is attributed to the perceived sensitivity of the financial matters being investigated as well as the huge workload of the targeted officers during this period of the financial year.

Descriptive Analysis

The researcher used mean, percentages and standard deviation to explain the scores of data to present the research findings.

Organizational culture and adoption of IFMIS

The research explored the relationship between corporate culture and adoption rate of IFMIS in the Counties. This involved flexibility to adapt to new technology, management support, risk attitude, communication channels and general influence of organizational culture on adoption of IFMIS.

For information regarding the first independent variable, organizational culture and adoption of IFMIS, respondents were requested to provide feedback on a likert scale ranging from one (1) to five (5), with one (1) strong agreement, two (2) agreement, three (3) neutrality, and four (4) disagreement. The results are tabulated below.

Table 1: Response rate on Organizational culture and adoption of IFMIS

Organizational culture	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev.
The staff in your department are flexible and adaptable to new technology	13.9	67.5	10.6	7.9	-	2.13	.742
The management supports innovativeness and learning	7.9	47.7	27.8	13.9	2.6	2.56	.921
The management has a risk taker attitude which allows for innovations and change in your department	7.9	33.8	7.9	47.7	2.6	3.03	1.116
There is clear and open communication between management and staff and also amongst staff	20.5	50.3	19.9	6.6	2.6	2.21	.933
The existing culture in your department is favorable for adoption of IFMIS	4.0	76.2	16.6	3.3	-	2.19	.550
Generally, organizational culture affects the adoption rate of IFMIS in the county government	21.9	40.4	18.5	19.2	-	2.35	1.028
MEAN						**2.41**	**0.882**

Regarding the remark, "Your department's personnel are adaptable and flexible with new technology." From the study, 13.9 percent of participants strongly agreed, 67.5% agreed, 10.6% were neutral, and 7.9% disagreed. At the same time, the study had a mean of 2.13 and a standard deviation of 0.742%. Regarding the statement, "Management encourages innovation

and learning." The results indicated that 7.9% of participants highly agreed, 47.7% agreed, while 27.8% were neutral. Similarly, 13.9% of participants disagreed, and 2.6% strongly disagreed, with a standard deviation of 0.921 and mean of 2.56.

With a standard deviation of 1.028 and a mean of 2.35, 21.9% of participants highly agreed, 40.4% agreed, 18.5% were neutral, and 19.2% disagreed with the statement. Overall, the mean score for organizational culture and implementation of IFMIS was 2.41 and the standard deviation was 0.882, indicating that, on average, participants agreed with the assertions regarding organizational culture and adoption of IFMIS in county governments.

Capacity Building of employees and adoption rate of IFMIS

The study further aimed to explore the relationship between capacity building of employees and adoption rate of IFMIS in the Counties. It focused on IFMIS training and how valuable it was to the users in terms of practically, adequacy and relevance. It sought to find out whether there is a departmental plan on capacity building and the general feeling of whether capacity building affects the rate of County Government's adoption of IFMIS.

To collect data on the second independent variable, capacity building of employees and adoption of IFMIS, participants were requested to rate several statements on a likert scale ranging from one (1) to five (5), with one (1) strongly agree, two (2) agree, three (3) neutral, and four (4) disagree.

Regarding the remark, "I have had IFMIS training." 33.1 percent of participants strongly agreed, 25.8% disagreed, 38.4% agreed, and 2.6% severely disagreed, with a standard deviation of 1.224 and a mean of 2.26. The program included both theoretical and practical components. 26.5 percent of respondents strongly agreed, 33.8 percent agreed, 35.8 percent were neutral, 1.3% of

respondents disagreed, and 2.6% highly disagreed, with a standard deviation of 0.938 and a mean of 2.20. Regarding the statement "Adequate training time and materials, such as training tutorials, were supplied." 12.6% of respondents highly agreed, 33.8 percent were neutral, 49.7 percent agreed, 1.3 percent of respondents disagreed, and 2.6 percent strongly disagreed, with a standard deviation of 0.81 and a mean of 2.32.

The training was relevant to the jobs and responsibilities you perform in your department. 16.6 percent of participants strongly agreed, 61.6 percent agreed, 17.9% were neutral, 1.3% disagreed and 2.6% strongly disagreed, with a standard deviation of 0.79 and a mean of 2.12. Regarding the phrase, "Your department has a policy on staff capacity building," please explain. With a mean of 2.97 and a standard deviation of 1.169, 1.3% of participants highly agreed, 49.0% agreed, 15.2% disagreed, 17.1% were neutral and 16.6% strongly disagreed, with a standard deviation of 1.169 and a mean of 2.97.

Regarding the statement, "Training was sufficient to facilitate the department's adoption and usage of IFMIS" 16.6 percent of respondents very agreed, 33.8% agreed, 14.6% disagreed, 32.5% were neutral and 2.6% strongly disagreed, with a standard deviation of 1.019 and a mean of 2.53. Regarding the statement, "Capacity building affects the rate of adoption of IFMIS in county governments in general" 25.8% of participants strongly agreed, 61.6% agreed, 11.3% were neutral, and 1.3% disagreed, with a standard deviation of 0.642% and a mean of 1.88.

In general, the mean of the respondent concerning capacity building of employees and adoption of IFMIS was 2.33 and standard deviation of 0.945, implying that on average, participants agreed to the statements on capacity building of employees and adoption of IFMIS in county governments. The results are tabulated below.

Table 2: Response rate on Capacity Building of employees and adoption of IFMIS

Capacity Building	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Std. Dev.
I have attended training on IFMIS	33.1	38.4	-	25.8	2.6	2.26	1.242
The training was both theoretical and practical	26.5	33.8	35.8	1.3	2.6	2.20	.938
Adequate training time was allocated as well as materials like training tutorials were provided	12.6	49.7	33.8	1.3	2.6	2.32	.811
The training was relevant to the roles and functions you undertake in your department	16.6	61.6	17.9	1.3	2.6	2.12	.791
There exists a departmental policy on staff capacity building in your department	1.3	49.0	17.9	15.2	16.6	2.97	1.169
Training conducted was adequate to enable adoption and use of IFMIS in the department comfortably	16.6	33.8	32.5	14.6	2.6	2.53	1.019
Generally, capacity building of employees affects the rate of adoption of IFMIS in the county government	25.8	61.6	11.3	1.3	-	1.88	.642
MEAN						**2.33**	**0.945**

Inferential Analysis

The relationship between the variables and the contribution of independent factors to the dependent variable were determined using regression and correlation analysis, respectively.

Correlation Analysis

The correlation coefficient (r) was utilized to determine whether or not there was a linear relationship between the variables of interest in the research. Besides, the coefficient of determination (r^2) was utilized to assess the model's fit. The range of r's value is -1 to 1, with r = 0 indicating no correlation, r = 1 indicating perfect positive correlation, and r = -1 indicating perfect negative correlation.

Table 3: Correlation matrix for all variables

		IFMIS Adoption	Organizational Culture	Capacity Building
	Pearson Correlation	1	-.056	.201
IFMIS Adoption	Sig. (2-tailed)		.749	.246
	N	35	35	35
	Pearson Correlation	-.056	1	.673**
Organizational Culture	Sig. (2-tailed)	.749		.000
	N	35	35	35
	Pearson Correlation	.201	.673**	1
Capacity Building	Sig. (2-tailed)	.246	.000	
	N	35	35	35

Regression Analysis

The research adopted both multiple regression and simple linear regression to determine the relationship between the independent variables (Organizational Culture, Capacity Building, Electronic Resources) and the dependent variable (IFMIS Adoption).

Regression analysis for construct Organizational Culture

From table 4(b), the regression model of X_1 and Y was significant with $F(1,33) = 1.021$, p-value =0.049), inferring that organizational culture was a valid predictor in the model. The Coefficient of determination R^2 of 0.003 showed that 0.3% of adoption rate of IFMIS is explained by organizational culture. The remaining percentage of adoption rate of IFMIS can be explained by other aspects not included in the approach. Besides, the R of 0.056 from table 4 (a) reveal that there is a weak positive correlation between organizational culture and adoption rate of IFMIS in the Kenyan coastal counties.

From hypothesis 1 (one) of the study, **H01:** Corporate culture has no influence on the adoption rate of IFMIS in the Kenyan coastal counties, the study findings revealed that there was positive significant relationship between organizational culture and adoption rate of IFMIS in the Kenyan coastal counties.

The results were fitted in the Model **Y= β0 + β1X1+ e**

The study therefore rejected the null hypothesis (**H01:** Corporate culture has no influence on the adoption rate of IFMIS in the Kenyan coastal counties) and concluded that organizational culture (X_1) did influence adoption rate of IFMIS in the Kenyan coastal counties (Y).

The Model equation thus became;

Y= 1.883 - 0.038 X1

Where,

> Y is adoption rate of IFMIS in the Kenyan coastal counties
> X_1 is organizational culture

The beta coefficient value for organizational culture (-0.038) meant that for every one (1) unit increase in the dimension of organizational culture, it leads to 0.038 decrease in adoption rate of IFMIS in the Kenyan coastal counties as shown in table 4.11(c).

Table 4: Regression analysis for construct Organizational Culture

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
					a) **Model Summary**				
1	.056ᵃ	.003	-.027	.37117	.003	.104	1	33	.049

a. Predictors: (Constant), Organizational Culture (X₁)

Model		Sum of Squares	df	Mean Square	F	Sig.
		b) **ANOVAᵃ**				
1	Regression	.14I	1	.141	1.021	.049ᵇ
	Residual	4.546	33	.138		
	Total	4.561	34			

a. Dependent Variable: IFMIS Adoption (Y)
b. Predictors: (Constant), Organizational Culture (X₁)

Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
		c) **Coefficientsᵃ**						
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
1	(Constant)	1.883	.286		6.580	.000		
	Organizational Culture (X₁)	-.038	.118	-.056	-.323	.049	1.000	1.000

a. Dependent Variable: IFMIS Adoption (Y)

Discussion of the findings on relationship between organizational culture and adoption rate of IFMIS in the Kenyan coastal counties

Under this variable organizational culture, the T statistics for the constant6.580 as well as coefficient of organizational culture is -0.323 respectively, both with p values <0.001 and 0.049 respectively. Since the p value of the T statistics for organizational culture is less than 0.05, it implies that the coefficient of X_1, -0.038 is significant at 95 percent confidence. This additionally confirms that organizational culture significantly influences the adoption rate of IFMIS in the Kenyan coastal counties. This therefore implies that corporate culture has a negative influence on adoption rate of IFMIS in the Kenyan coastal counties and hence the resukts rejected the null hypothesis **H$_{01}$**: Organizational culture has no influence on the adoption rate of IFMIS in the Kenyan coastal counties.

These research findings are similar to those by Mutui and Chirchir (2014) who established that there was a relationship between top management and employees support commitment (herein referred to as organisational culture) and implementation of IFMIS with a correlation value of 0.066. The variables of top management support and employee commitment were also statistically significant as predictors because their p values were less than 0.05 (at 0.067 and 0.046 respectively.) The findings pertain to the research conducted by Osano and Ngugi (2018) in order to determine the elements that influence the deployment of the Integrated Financial Management Information System in Kenya's Public Sector. As indicated by (=0.138, t=1.719, and p=0.000.05), corporate culture had a favorable and statistically significant impact on the implementation of IFMIS. This was attributable to the following factors: the adoption of IFMIS enhanced the work performance of staff and state departments and were comfortable with the IFMIS implementation, and it enhanced the efficacy and efficiency of public expenditure programs and improved staff performance.

Regression analysis for construct Capacity Building

Table 5(b) indicates that the regression model of X2 and Y was significant (F (1,33) = 1.393, p-value = 0.025), indicating that capacity building was a valid predictor. Besides, the coefficient of determination R2 of 0.251% demonstrated that capacity building explains 25.1% of the IFMIS adoption rate. The remainder of the IFMIS adoption rate can be explained by aspects not accounted for in the model. Table 4.12(aR)'s value of 0.501 indicates a weak positive association between capacity building and IFMIS adoption rate in Kenyan coastal counties.

From hypothesis 2 (two) of the study, **H$_{02}$**: capacity building has no influence on the adoption rate of IFMIS in the Kenyan coastal counties, the study findings suggested that there was positive significant relationship between capacity building and adoption rate of IFMIS in the Kenyan coastal counties.

The outcome were fitted in the Model **Y= β$_0$ + β$_2$X$_2$+ e**

The study therefore failed to reject the null hypothesis (**H$_{02}$**: capacity building has no influence on the adoption rate of IFMIS in the Kenyan coastal counties) and concluded that capacity building(X_2) did influence adoption rate of IFMIS in the Kenyan coastal counties (Y).

The Model equation therefore became;

Y= 1.534 + 0.112 X$_2$

Where,

> Y is adoption rate of IFMIS in the Kenyan coastal counties
> X_2 is capacity building

The beta coefficient value for capacity building (0.112) meant that for every one (1) unit increase in the dimension of capacity building, it leads to 0.112 increase in adoption rate of IFMIS in the Kenyan coastal counties as shown in table 5 (c).

Table 5: Regression analysis for construct Capacity Building

					a) **Model Summary**				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.501[a]	.251	.111	.36415	.251	1.393	1	33	.025

a. Predictors: (Constant), Capacity Building (X_2)

		b) **ANOVA[a]**				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.185	1	.185	1.393	.025[b]
	Residual	4.376	33	.133		
	Total	4.561	34			

a. Dependent Variable: IFMIS Adoption (Y)
b. Predictors: (Constant), Capacity Building (X_2)

		c) **Coefficients[a]**						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.534	.228		6.744	.000		
	Capacity Building (X_2)	.112	.095	.201	1.180	.025	1.000	1.000

a. Dependent Variable: IFMIS Adoption (Y)

Discussion of the findings on relationship between capacity building and adoption rate of IFMIS in the Kenyan coastal counties

Under this variable capacity building, the T statistics for the constant and coefficient of capacity building are 6.744 and 1.180 respectively, both with p values <0.001 and 0.025 respectively. Since the p value of the T statistics for capacity building is less than 0.05, it implies that the coefficient of X_2, 0.112 is significant at 95% confidence. This additionally this confirms that capacity building significantly influences adoption rate of IFMIS in the Kenyan coastal counties. This therefore implies that capacity building has a negative influence on adoption rate of IFMIS in the Kenyan coastal counties and hence the study rejected the null hypothesis **H_{02}:** Capacity building has no influence on the adoption rate of IFMIS in the Kenyan coastal counties.

The research findings were in congruent with findings by Hendricks (2012) and Vickland & Nieuwenhuijs (2005) who found out that training of employees significantly influenced the adoption of IFMIS in projects and their sustainability. Similarly, the research findings agreed with Kahari, Gathogo and Wanyoike (2015) findings that capacity building on staff was significant in the implementation of Integrated Financial Management Information System (IFMIS) in County Governments in Kenya.

Conclusions of the study

Specific objective 1: To determine the relationship between organizational culture and the adoption rate of IFMIS in the Kenyan coastal counties

The study concludes that organizational culture affects the adoption of IFMIS in county Governments and therefore county Governments must ensure that they have in place not only the best organizational cultures but also stable ones since this will affect their ability to successfully adopt IFMIS.

Specific objective 2: To establish the relationship between capacity building of employees and adoption rate of IFMIS in the Kenyan coastal counties

The study concludes that capacity building of county Government employees determines the

rate of the IFMIS' implementation in county Governments. Besides, the study also notes that training of employees on systems and ICT skills will improve on their ability to understand and accept IFMIS and be able to embrace the adoption of IFMIS.

Recommendations of the study

The research recommends that the management of county governments to put in place policies to guide the implementation of new systems including the IFMIS. Similarly, the study recommends that managers of county governments to conduct capacity building on the employees to equip them with necessary skills before implementation of any new system and also ensure that the requisite resources are available to support the said systems. Further, the study recommends that county governments should strive to have good, friendly and accommodative organizational cultures which are key for implantation of new systems including IFMIS.

Areas for further study

Even though this study yielded significant findings, it is possible that not all strategic variables for IFMIS adoption were exhaustively addressed, necessitating additional research. To begin with, the conceptual framework's selection of strategic drivers may not have been exhaustive. Therefore, other considerations may shed light on the strategic drivers influencing the rate of adoption of the IFMIS by county governments in the Kenyan Coastal region. Consequently, future researchers may take into account variables that were not examined in this study.

Secondly, given that this research was limited to the county governments in the Coastal region of Kenya, future research can be extended to firm in other sectors, especially the private sector and other state departments, to determine whether the findings of this research are consistent with those of research conducted in those other areas.

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