



***ADDIS ABABA UNIVERSITY SCHOOL OF GRADUATE
STUDIES SCHOOL OF COMMERCE***

***Factors Influencing Successful Implementation of International
Financial Reporting Standards (IFRS) Project
A Case of Commercial Bank of Ethiopia***

By

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November, 2018

Addis Ababa, Ethiopia

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Financial Reporting Standards (IFRS) Project
A Case of Commercial Bank of Ethiopia***

***A Project Submitted to Addis Ababa University, College of
Business and Economics, School of Commerce in Partial Fulfillment
of the Requirements for Master Degree in Project Management.***

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Teklegiorgis Assefa (Asst. Prof). All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Temesgen Worku Abraham

Signature

ENDORSEMENT

This thesis has been submitted to Addis Ababa University, School of Graduate Studies for examination with my approval as a university advisor.

Teklegiorgis Assefa (Asst. Prof)
Advisor

Signature

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Abstract

International Financial Reporting Standard (IFRS) are set of accounting standard developed by IASB that is becoming the global standard for the preparation of public company financial statements. The aim of this study was to examine Factors Influencing Successful Implementation of IFRS Project in Commercial Bank of Ethiopia. These researches sought to achieve five specific objectives with the key variables examined being the dependent variable successful implementation of IFRS project in CBE and independent variables of top management support, organization structure, communication system, team building and Monitoring and Evaluation. To answer research questions and test the hypothesis the researcher adopted primary and secondary source of data. The primary data were collected through questionnaires and interview. Whereas, the secondary source of data was collected from publication, Previous research and consultant printed document. The researcher implemented both qualitative and quantitative (mixed) research approach. The questionnaire data were analysed using descriptive statistics, correlations, and multiple linear regression analysis and data from interview was triangulated with the descriptive part of analysis. The results have shown that with Pearson correlation result of 0.383, 0.387, 0.327 and 0.418 for the independent variable of Top Management Support, Organizational Structure, Communication System and Team building respectively have weak positive association with the dependent variable of Successful implementation of IFRS project in CBE. While monitoring and evaluation has strong positive relationship with dependent variable with Pearson Correlation of 0.678. The results of multiple regressions revealed that Top Management Support, Organizational Structure, Communication System and Team Building have insignificant effect on successful implementation of IFRS project. However, Effective Monitoring and Evaluation has a positive and significant effect on successful implementation of IFRS project in CBE. Finally, the researcher provides related recommendations which were associated with the study findings and suggest further study on the issue.

Keywords: International Financial Reporting Standards(IFRS), Commercial Bank of Ethiopia, Implementation of IFRS Project

ACRONYMS

CBE Commercial Bank of Ethiopia

IAS International Accounting Standard

IASB International Accounting Board

IASC International Accounting Standard Committee

IFRS International Financial Reporting Standard

KPMG Klynveld Peat Marwick Goerdeler (accounting firm)

NBE National Bank of Ethiopia

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

International Financial Reporting Standards/IFRS/ refers to a widespread, high-quality set of accounting standards and interpretations used in the preparation of financial statements. IFRS is considered a principles-based set of standards in that they set up broad rules with greater importance on interpretation and the use of judgment, rather than reliance on specific bright-lines (Tomaszewski & Showerman, 2010). IFRS is a well-structured set of accounting standards which will increase transparency, understandability and promote global acceptance on financial reporting (Edwards, 2009). Due to growing international business among countries, there is strong support in favor of IFRS.

According to the International Accounting Standards Board (IASB), IFRS adoption refers to the state whereby a country, company, or institution replaces its accounting standards with those of IFRS and states categorically that their financial statements are in full compliance with IFRS as issued by the International Accounting Standards Board (IASB). Solomonzori (2012).

A project is a temporary endeavor undertaken by people who work together to create a unique product or service (PMI 2000) within an established time frame and within established budget to produce identifiable deliverables. A project consists of three main pillars namely; cost, quality and time. Project success have been defined by the criteria of time, budget and deliverables (Flaman and Gallagher, 2001). In addition, project success is considered if it meets the schedule, budget, quality expected, and the achievement of the deliverables that were originally intended and the acceptance by the target beneficiary or the project client (John, Agnes, 2016)

Project implementation also referred as project execution, is a phase in which the project vision and all the plans of the project become a reality and financial resources of the project are allocated. Many projects fail during implementation and often lack to meet the local people's needs or the beneficiaries need (John, Agnes, 2016)

According to Jugdev and Muller (2005), the project implementation process is complex, usually requires extensive and collective attention to a broad aspect of human, budgetary and technical variables. In addition, projects often possess a specialized set of critical success factors in which if addressed and attention given will improve the likelihood of successful implementation.

The Federal Democratic Republic of Ethiopia issued a Financial Reporting Proclamation No. 847/2014 on 5 December 2014 directing all entities both public and private to adopt a uniform reporting platform based on the IFRS. Further to this directive and in line with the vision of Commercial Bank of Ethiopia(CBE) to be a world class commercial bank by 2025 the management at CBE has undertaken a conversion project. The main objective of the convergence project is to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards that bring transparency, accountability and efficiency to the entire stakeholders of the Banks. (KPMG Final report August 2017)

CBE formed a project team which composed a steering committee and a technical team. A steering committee formed Form Finance, Risk & compliance and Management Information System, and credit process and take the chair by VP-Finance. The technical team composed from different bank units having a good background on Accounting and certifications. (KPMG Final report August 2017)

Business today is operating under high level of uncertainty, projects implementations are open to all sorts of external influence, unexpected events, ever-growing requirements, changing constraints and fluctuating resource flows. This clearly shows that if projects are undertaken and critical process steps not taken in order to manage them effectively and efficiently, the chances of failure are high. (Chan, 2007)

Due to the lack of proper understanding of factors which affect the implementation of project, many projects implemented beyond originally scheduled time with high amount of cost. Therefore, understanding of the project behavior in terms of risk, project manager capability and bank's objectives can help the bank's decision maker so as to know whether the project goes wrong or not (Kerzer,1987).

This research sought to achieve Five specific objectives with the key variables examined being the dependent variable successful implementation of IFRS projects in CBE and independent variables of project top management support, Organizational Structure, Communication System, team building and Monitoring and Evaluation.

1.2 Statement of the Problem

Preparation and presentation of financial statements will become easy because of the adoption of IFRS as it is a single language of accounting globally. It is also an opportunity for audit firms to review their programs, procedures and practices to make them more effective and efficient, but the switching over to IFRS is a major challenge. Like any major shift, the changeover will not be easy and will require considerable resources and time (Ramesha, 2016).

The Federal Democratic Republic of Ethiopia directing all entities both public and private to adopt a uniform reporting platform based on the IFRS and in line with this directive and its vision to be a world class commercial bank by 2025 and to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards CBE has undertaken a conversion project and formed a project team.

Project is a complex, non-routine, one-time effort limited by time, budget and resource and performance specifications designed to meet customer needs. Project success requires creating a well-planned project schedule as well as understanding of the key success factors also. It helps the project manager and the stakeholders to take the right decisions and act towards the project success. (Munns, Bjeirmi, 1996)

Project success factors are the elements of a project that can be influenced to increase the likelihood of success; these are independent variable that makes success more likely. Project success criteria are the measures by which judge the successful outcome of a project; these are dependent variable which measure project success. Success factors are those inputs to the management system that lead directly or indirectly to the success of the project or business. Project success factors are not universal for all projects since different projects and different people prioritize different sets of success factors. Project success criteria also vary from project

to project and what is acceptable in one project without impact on perceived success is deemed an abject failure in another project. (Sumesh, Sudhakar 2015).

Following the increase in the number of countries adopting IFRS, large number of research works has been conducted to know the merits and demerits of these movements and the reasons for adopting, and to identify the opportunities and challenges ahead. To mention few of these, for instance, Alsaqa and Sawan, (2013) conducted a study to identify the advantages and challenges of adopting IFRS in United Arab Emirate (UAE) stock market. Okpala (2012) conducted a study to investigate the effects of IFRS adoption on foreign direct investment and Nigeria economy. Similarly, Zehri and Abdelbaki (2013) examined whether adoption of IFRS promote economic development in developing countries and Ramanna and Sletten (2009) on their working paper examined the reasons why countries adopt IFRS.

Various studies were also made with regard to IFRS adoption in Ethiopia to site Alemgena Bekele (2016), Teferi Deyuu (2016), Yitayew Mihert (2016), Firdawok Teshome (2017), Arefainie Ayalew (2018) and Solomon Demena (2018) all of them studied the need, benefits and challenges of IFRS adoption.

This indicates that previous studies regarding IFRS adoption in Ethiopia did not emphasis on factors influencing successful implementation of IFRS in Ethiopia. Accordingly, this study was motivated to focus in the area of factors influencing successful implementation of IFRS in CBE, particularly investigating the relationship of five critical success factors (top management support, Organizational Structure, Communication System, team building and Monitoring and Evaluation) and successful implementation of IFRS project in CBE in order to help the project parties to minimize the project implementation problems.

1.3 Research Questions

The researcher tried to address the following research question

1. What is the role of top management support on successful implementation of IFRS project in CBE?
2. What are the challenges of organization structure in the implementation of IFRS project in CBE?

3. What is the influence of communication system on successful implementation of IFRS project in CBE?
4. What are the challenges of project team building in the implementation of IFRS project in CBE?
5. What are the effect of monitoring and evaluation on successful implementation of IFRS project in CBE?

1.4 Objectives of the study

1.4.1 General Objectives

The general objective of the study is to assess Factors Influencing Successful Implementation of IFRS Project, in Commercial Bank of Ethiopia.

1.4.2 Specific Objectives

The study sought to achieve following specific objective:

- To identify the relationship of top management support and successful implementation of IFRS project in CBE.
- To identify the relationship of organization structure and successful implementation of IFRS project in CBE.
- To identify the relationship of communication system and successful implementation of IFRS project in CBE.
- To identify the relationship of building competent project team and successful implementation of IFRS project in CBE.
- To identify the relationship of monitoring and evaluation and successful implementation of IFRS project in CBE.

1.5 Hypotheses

To examine the relationship between Factors Influencing Successful Implementation of IFRS Project and successful implementation of IFRS Project in CBE, the following hypotheses were

formulated for the study:

- H1: There is significant effect of top management support on successful implementation of IFRS project in CBE.
- H2: There is significant effect of organization structure on successful implementation of IFRS projects in CBE.
- H3: There is significant effect of effective communication systems on successful implementation of IFRS projects in CBE.
- H4: There is significant effect of competent team building on successful implementation of IFRS projects in CBE.
- H5: There is significant effect of effective monitoring and evaluation on successful implementation of IFRS project in CBE.

1.6 Significance of the Study

The study has many advantages for all practitioners and academicians by providing useful information about Factors Influencing Successful Implementation of IFRS Project. The study can be used as a spring board for future studies in this area, the study can also be used as an input for policy makes, standard setters, and academic institutes and to regulatory bodies in Ethiopia.

The study could also be used as an initiation for those who are interested to conduct a detailed and comprehensive study regarding Factors Influencing Successful Implementation of IFRS Project in Ethiopia. And it would enable the governing body, specifically the higher responsible body, and the managements of companies to be aware of the potential factors that influence successful implementation of International Financial Reporting Standards and give insight on how to approach the implementation process of these international standards most efficiently.

1.7 Scope (Delimitation) of the Study

The study was restricted to study factors influencing successful implementation of IFRS Project in Commercial Bank of Ethiopia Financial Management Department since the department is more responsible to control and administer the implementation of IFRS project.

1.8 Limitation of the study

The research was emphasizing on Factors Influencing Successful Implementation of IFRS project in CBE, Lack of related research on this area was one of the major limitations since there was little research done.

1.9 Organization of the Study

Generally, the paper organized into five chapters. The first chapter consist of background of the study which discusses briefly literature related to the study i.e Statement of the problem that defines the problem, Basic research questions, objective of the study, scope of the study, significance of the study and organization of the paper. Next to this Chapter two contains relevant literatures about the study that helps to understand the whole research study i.e. it is a section what authors said about the subject matter. Chapter three consists of issues about the type and design of the research: population of the study: sampling technique and size: source of data; method of data collection and method of data analysis used briefly. Following chapter three the fourth chapter handle data presentation, analysis and interpretation. Chapter five comprises summary of major findings, conclusion and recommendation.

CHAPTER TWO

REVIEWS OF RELATED LITERATURE

2.1 Introduction

In this section of the study, theoretical background and empirical review of literatures of different scholars on the area of factors affecting successful implementation of IFRS project have been reviewed in order to seek what scholars and other authors have written.

2.2 Theoretical Review of the Literature

2.2.1 Concepts of Project and Project Management

Project Management Body of Knowledge (2013) defined project as a temporary endeavor undertaken to create a unique product, service, or result. Accordingly, the temporary nature of projects indicates that a project has a definite beginning and end while unique means that the product, service or result is different in distinguishing way from other products, services or results due to the different location, different design, different circumstances and situations, different stakeholders, and so on. Hence, a project should have definite starting and ending points (time), a budget (cost), a clearly defined scope or magnitude of work to be done, and specific performance requirements that must be met. According to Kerzner (2009), project can be considered as a series of activities and tasks that have specific objective to be completed within certain specifications, defined start and end dates, funding limits (if applicable), consumed human and nonhuman resources (i.e., money, people, equipment) and are multifunctional (i.e., cut across several functional lines). Typically, a project is a one-time effort to accomplish an explicit objective by a specific time. Unlike an organization's ongoing operations, a project must eventually come to a conclusion (Greer, 2001).

Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Project management is accomplished through the appropriate application and integration of the 47 logically grouped project management processes, which are categorized into five Process Groups of Initiating, Planning, Executing, Monitoring and Controlling, and Closing. (Project Management Body of Knowledge 2013)

Project management is the process by which projects are defined, planned, monitored, controlled and delivered such that the agreed benefits are realized. Projects bring about change and project management is recognized as the most efficient way of managing such change. Project management involves project planning, monitoring and includes such items as: Project definition of work requirements, definition of quantity and quality of work, description of resources needed, project monitoring, tracking progress, comparing actual outcome to predicted outcome, analysing impact, making adjustments. Successful project management can then be defined as having achieved the project Objectives (within time, within cost, at the desired performance/technology level keeping the desired quality) while utilizing the assigned resources successfully and efficiently, and accepted by the customer/owners (kernzer, 2013).

2.2.2 Concept of Project Implementation

Project implementation also referred as project execution, is a phase in which the project vision and all the plans of the project become a reality and financial resources of the project are allocated. Many projects fail during implementation and often lack to meet the local people's needs or the beneficiaries need. Implementation is the carrying out, execution, or practice of a plan, a method, or any design, idea, model, specification, standard or policy for doing something. As such, implementation is the action that must follow any preliminary thinking in order for something to actually happen. (Margaret, 2018)

Project execution (or implementation) is the phase in which the plan designed in the prior phases of the project life are put into action. Most of the project's time, cost and resources are spent in this stage as in this stage the project deliverables are created. By executing the work packages as per the defined schedule, the project team produces the deliverables of the project.

2.2.3. What is project success?

Project success is a topic that is discussed so frequently in the project management but yet irregularly agreed upon (Pinto & Slevin, 1989). Determination of project success is not unanimous among the team and client personnel (Rad and Ginger, 2002). Since the late 1960s project management researchers have been trying to discover which factors leads to project

success (Baker et al. 1983, 1988; Pinto and Slevin, 1988; Lechler, 1998). An architect may consider success in terms of aesthetic appearance while an engineer may consider in terms of technical competence while a biomedical researcher may consider it in terms of active product against a certain disease. The parameters for measuring project success are mostly influenced by project type and specifications. (Sabina, Harriet, and Jesse, 2015).

Project success is usually discussed in terms of success factors and success criteria. Success factors are considered to be those aspects of management that lead directly or indirectly to the success of the project, while success criteria are defined as the measures by which success or failure of a project or business was judged (Cooke-Davies, 2002). According to Lai (1997) the factors that contribute directly to project success is the ability to stay within the cost, time and performance specifications of the project. Different authors came up with factors influencing success this includes: support from senior management and adequate funds (White & Fortune, 2002); adequate resources (Posner, 1987); and the importance of planning, monitoring and controlling, technical, commercial and external issues (Morris et al., 2000). Ashley et al (1987) examine the links between success criteria and success factors, finding a direct cause and effect relationship between some factors and criteria. (Sabina, Harriet, and Jesse, 2015).

The success of any project is determined by how well the project contributes to the achievement of the organization's strategic objectives (effectiveness) and how well the project has been carried out (efficiency). In an organizational environment, projects are ways to implement strategies. Therefore, a project's objectives must be directly connected to the organization's strategic objectives.

Shenrar and Dvir (2010) reinforce the concept of project success linked to efficiency and effectiveness. Meeting deadline and budget goals indicates that a project has been efficiently managed. However, most projects are part of their organizations' strategic management and must be evaluated based on their contributions to the business' results (effectiveness) (Shenrar, Dvir, 2010).

2.2.4 The Concept of IFRS

IFRS are a set of international accounting standards stating how particular types of transactions and other events should be reported in financial statements. IFRS are issued by the International Accounting Standards Board. IFRS are sometimes confused with International Accounting Standards (IAS), which are the older standards that IFRS replaced. The goal with IFRS is to make international comparisons as easy as possible. This is difficult because, to a large extent, each country has its own set of rules. For example, U.S. GAAPs are different from Canadian GAAP. Synchronizing accounting standards across the globe is an ongoing process in the international accounting community. (Will 2018).

Definition of IFRS is standards and rules for reporting financial information, as established and approved by the Financial Accounting Standards Board (FASB). IFRSs are issued by the International Accounting Standards Board (IASB), formerly known as International Accounting Standards Committee (IASC). The main objective of the IASB is “to develop, in the public interest, a single set of high quality, understandable and enforceable global accounting standards that require high quality, transparent and comparable information in financial statements and other financial reporting to help participants in the world's capital markets and other users make economic decisions” (Epstein & Mirza, 2002).

2.2.5 Approaches to IFRS Adoption

A country can change its existing accounting system to a globally recognized accounting standard called IFRS either by totally replacing or customizing it with IFRS over time. The first approach is known as adoption or ‘big bang’ approach while the latter is called a convergence approach. ‘Big bang’ approach is a strategic decision to adopt IFRS on a single date or, perhaps, a series of dates applied to companies of different sizes. Under this approach, once IFRS are adopted, all IFRS standards should be complied while preparing financial statements and the existing accounting standard should be replaced with IFRS; while in Convergence approach, gradual movement is made towards IFRS through customizing with the existing accounting standards and IFRS are applied gradually. Converging a few local standards to IFRSs each year can allow local preparers and auditors to learn a few topics at a time rather than immersing

themselves in the full set of IFRSs and convergence approach can also allow time for necessary changes in local legal frameworks (IFRS Foundation Guide, 2013).

2.2.6 IFRS adoption and implementation in Ethiopia

According to IFRS foundation (2013) in its adoption guide, adopting IFRS is like starting a family as it requires careful planning ,commitment and complete understanding of its implications. There are three steps that new adopters of IFRS should pass through before adopting it. According to this guide the first step is making policy decision through building consensus among concerned stakeholders. The second step is preparing a plan by building in targets and deadlines, and making them public and help to identify obstacles that must be overcome. The third step is identifying the resources that we have on hand and what we need to implement the new standard (such as availability of local professional at company and national level, finance for capacity building and source of finance, materials and technical supports)Ethiopia has started to use IFRS in the financial reporting for the first time in 2002/2003.The first organization that used IFRS are government owned entities such as commercial bank of Ethiopia, Ethiopia insurance and Ethiopian airlines. Even though IFRS is not officially adopted at national level, auditors indirectly enforce the same up on management of the organizations who have little or no accounting know how about accounting standards.

2.2.7 Adoption of IFRS in Commercial Bank of Ethiopia

The Ethiopian government has taken the initiative to integrate the financial statements of its companies with international standards. Ethiopia put in place the financial reporting proclamation 847/2014 issued in December 5, 2014. In line with this, the government has established Accounting and Auditing Board of Ethiopia /AABE/ to monitor and supervise the implementation of IFRS in Ethiopia.

Commercial Bank of Ethiopia (CBE) put the issue in its five years/2015-2019/ strategic initiatives to adopt and prepare it financial statements in accordance with the International Financial Reporting Standards/IFRS/. And finance process takes the initiatives and prepares a Request for Proposal/RFP/ with detail requirements. KPMG has been awarded to conduct an

IFRS adoption consultancy service with a better technical and financial proposal with its two partners from Kenya and Mexico and assign experienced and qualified staffs for the entire project completions. (KPMG final report CBE August 2017)

CBE formed a project team which composed a steering committee and a technical team. A steering committee formed Form Finance, Risk & compliance and Management Information System, and credit process and take the chair by VP-Finance. The technical team composed from different bank units having a good background on Accounting and certifications. (KPMG final report CBE August 2017)

2.2.8 Benefits and Challenges of IFRS Adoption

It was believed that, the adoption of IFRS will lead to true and fair presentation, transparency, and comparability of financial statements. (DeFond et al. 2011; Lee &Fargher 2010). This will intend increase the confidence of investors hence lower cost of capital. For developing countries such as Ghana, it will increase the credibility of its domestic markets to foreign capital providers and potential investors. Faraj and Akbar (2010). Gordon (2008) listed the benefits from adaptation of IFRS over the world to include: better financial information for shareholders and regulators, enhanced comparability, improved transparency of results, increased ability to secure cross-border listing, better management of global operations and decreased cost of capital. Studies conducted from 21 countries by Barth et al. (2008) revealed that adoption of IFRS had reduced the level of manipulation of income and expenses to meet financial expectations. Because IFRS demands higher disclosure levels, quality measurement and recognition rules, financial statements are more transparent and reflects the economic position, information asymmetries between firms and their shareholder is also reduced (Ding et al. 2007; De Franco, Kothari & Verdi 2010). Mihai et al. (2012) and Ionaşcu et al. (2010) indicated that following the implementation of IFRSs, the cost of capital of listed companies on the BSE (Bombay Stock Exchange) decreased. A study conducted on Turkish companies, after the implementation of IFRS, revealed that the quality of accounting information increased Karğın (2013). Armstrong et al. (2010); Lenormand& Touchakis (2009) recorded an improvement in the quality of accounting

information after the adoption while Paananen & Lin (2009) are of the view that the adoption of IFRS has led to a reduction in the quality of the accounting information.

Michas (2010) Alp and Ustuntage (2009) and Zhang et al. (2007) are of the view that, the implementation of IFRSs by developing countries comes with a lot of challenges. Some of the challenges includes the complexity of the standards, fair value issues, cost, regulation, lack of technical skills and knowledge in standards, inadequate education and training of accountants (Schachler et al., 2012; Laga, 2012; Masoud, 2014). According to Obazee (2007), challenges are cultural issues, mental models, legal impediments, educational needs and political influences. Adopting IFRSs requires a country to blend its culture to the West and reforms its regulatory, legal and economic structures. Investors, accountants, auditors, preparers and users of financial reports must be trained and educated. Hoogendoorn (2010), is of the view that the application of IFRSs is very complex and there are no sufficient guidelines. As for the quantity of disclosure a survey conducted by KPMG (2007) including 18 of the largest European banks reporting under IFRSs concluded that the size of the annual reports under IFRSs has increased significantly compared to annual reports under local. Dunne et al. (2008) investigated IFRS implementation in UK, Ireland and Italy and pointed that an important issue identified in all three countries was related to staff training and adapting to rapid changes. Certain standards were considered very technical and required the assimilation of specific skills (such as IAS 39, IAS 19 and IAS 36). A study by Ionaşcu et al (2011) revealed that lack of active markets needed for fair values determination may reduce the quality of accounting information presented in financial statements prepared in accordance with the IFRSs. Another challenge identified was that because IFRSs is principle-based, it may create avenue for earning management (Hong 2008; Chand, Patel & Patel 2005; Jeanjean & Stolowy 2008). According to Rong- Ruey Duh (2006), the challenges of IFRS adoption includes the ability of accountants to interpret standards, and the knowledge level of financial statement users, preparers, auditors and regulators in accounting information, (Richmell Baaba Amanamah 2017).

2.3 Empirical Review of the literature

2.3.1 Factors affecting the project success

The concept of “success factors” was coined in 1961 by D. Ronald Daniel of McKinsey & Company, it was refined into critical success factors in 1981 by John F Rockart, since then many authors have published lists of critical success factors (CSFs). Rockart JF (1979), defined critical success factors as “the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department or organization”. Baccarini and Collins (2003), see a project’s critical success factors as “important influences that contribute to project success”.

Amade B, Ubani EC, Omajeh EO, Anita AU (2015) stated that critical success factors are the few key variables or factors that the manager should prioritize in order to achieve his/her goals for current or future areas of activity. According to Alias, Z, Zawawi EM, Yusof K, Aris NM (2014) critical success factors are inputs to project management practice which can lead directly or indirectly to project success.

From a Project Management perspective, critical success factors (CSFs) are characteristics, conditions, or variables that can have a significant impact on the success of the project when properly sustained, maintained, or managed (Milosevic and Patanakul, 2005). Different studies have identified different CSFs and a lack of consensus of opinion among researchers on the criteria for judging project success and the factors that influence that success (Fortune and White, 2006). In addition, several studies addressing CSFs have observed the impact of context on which factors are considered most critical as well as whether certain CSFs are indeed related to success (Zarina, Zawawi 2014).

Pinto, Slevin, (1987). found that projects are not all similar when it comes to CSFs, and that care must be taken to consider these differences when applying CSFs. According to them, there are basic similarities with in project types and classes, but there are characteristic differences between the factors considered to be critical for the success of a project, for different types of projects. In their research, they discovered that CSFs vary and change as projects go through the

different stages in their life-cycles (conceptual, planning, execution, and termination), independent of the type of project. Pinto and Covin also stated that the CSFs determined on a company-by-company basis (as will be in this case study on Grootegeluk) that they may be so specific that they will not be applicable or useful in other company settings (F.J. duRandt1, C.C. van Waveren and Chan 2014).

Pinto and Slevin's paper from 1987 represents a reference point by establishing a list of ten success factors project mission, top management support, schedule and plans, client consultation, personnel, technical tasks, client acceptance, monitoring and feedback, communication, troubleshooting (Pinto and Slevin, 1987). These factors were also acknowledged by (Müller and Turner, 2005) as important. Davis (2014) adopted a set of nine themes in order to describe success factors of projects. These include: cooperation and communication, timing, identifying/ agreeing objectives, stakeholder satisfaction, acceptance and use of final products, cost/ budget aspects, competencies of the project manager, strategic benefits of the project and top management support (Pinto, J. &Slevin, P, 1987)

A great deal of previous research has focused on a single aspect of the project such as the management of professionals in R&D projects (Katz and Tushman, 1979; Roberts and Fusfeld, 1981), communication patterns in technical and R&D projects (Katz and Tushman, 1979), project organizational structure (Larson and Gobeli, 1985) and team performance (Thamhain and Wilemon, 1987). Studies aimed explicitly at identifying project success factors have often concentrated on a limited number of variables. For example, Tubig and Abetti (1990) studied variables contributing to the success of defense research and development contractors such as contractor selection, type of contract and type of R&D effort, while Pinto and Slevin (1987) used their research respondents to identify, for each successful project, a single action that would substantially help implementation. However, project management is more complex. Bringing a project to a successful conclusion requires the integration of numerous management functions such as controlling, directing, team building, communicating, cost, schedule management, technical and risk management, conflict and stakeholders management and life cycle management, among others (Morris and Hughes, 1987). The large variety of tasks has gradually fostered the systems approach to project management, aimed at helping managers to understand

the intricate nature of a project and capturing it as a whole (Cleland and King, 1983) (Sabina W., Harriet K. and Jesse M, 2015).

The study focused on five factors which are assumed to be most important influential factors in banks in Ethiopia. These factors are; project top management support, Organizational Structure, Communication System, team building and Monitoring and Evaluation.

i. Top management support as a project success factor

Top management support and commitment are critical to achieve success in the project. According to Green (1995) top management includes the CEO and his/her direct subordinates all those who are responsible for corporate policy. Top management support is needed throughout the implementation of the project (Easteves and pastor 2000, Nah et al. 2001). Top management support refers to both the nature and amount of support the project manager can expect from management both for himself as leader and for the project. As noted by Schultz and Slevin (1975), management support for projects, or indeed for any implementation, has long been considered of great importance indistinguishing between their ultimate success or failure. Beck (1983) sees project management as not only dependent on top management for authority, direction and support, but as ultimately the conduit for implementing top management's plans, or goals, for the organization.

Top management support has been consistently identified as the most important and crucial success factor in project implementation (Somers & Nelson 2003). Slevin & Pinto 1996 define top management to provide the necessary resources and authority or power for project success. Top management support in project implementation has two main facets: One providing leadership; and two providing the necessary resources. To implement project successfully, management should monitor the implementation progress and provide clear direction of the project. They must be willing to allow for a mindset change by accepting that a lot of learning has to be done at all levels, including themselves (Rao, 2000). Easteves and pastor (2000) stated that sustained management support is related with sustained management commitment, both at top and middle levels during the implementation, in terms of their own involvement and the willingness to allocate valuable organizational resources. Management support is important for

accomplishing project objectives and aligning these with strategic business goals. Bingi et. al. (1999) mention that top management need to constantly monitor the progress of the project and provide direction to the implementation teams (Sabina W., Harriet K. and Jesse M, 2015).

ii. Organization structure as a project success factor

Organization structure is the hierarchical relationships of various entities within the organization that collaborate with each other for project execution. Different organizations, by virtue of their objectives and core philosophies, carry different organizational structures (PMBOK 2008, 2004, 2002). The structure of an organization determines the operational model used in the organization. Organizational structure determines the responsibilities for different functions and entities. The organizational structure dictates the chain of command, resulting in the reporting structure that provides accountability of those at all levels within the organization (PMBOK 2008, 2004, 2002).

Organizational structure, style, and culture influence implementation of projects. Cultures and styles of an organization are known collectively as its cultural norms. These norms include a standard approach (organization style) regarding the manner in which projects are implemented, what means are considered, and who is influential in facilitating implementation (Chandramouli 2011, PMBOK 2008, 2004, 2002). Cultural fitment, or cultural quotient (CQ), is the ability of an organization to cope with national, corporate, and vocational cultures. Project managers should understand the different organizational styles and cultures that may affect a project. The project manager should identify important organizational decision makers and work with them to influence project success (Chandramouli 2011, PMBOK 2008, 2004, 2002) (Sabina W., Harriet K. and Jesse M, 2015).

iii. Communication System as a project success factor

Steinfort and Walker (2007) and Pinto and Slevin (1987) indicated that adequate communication is a critical factor in creating an atmosphere of successful project implementation. Careful communication planning and setting the right expectations with all project stakeholders is extremely important. Failure in communication can negatively impact the project (Kai, 2007).

Maddock (1992) indicated that knowing how to report and reporting on time is amongst the key responsibilities of project managers. PMI (2013) revealed that 90% of project managers' time is spent in communicating issues related to projects.

It also indicated that organizations that communicate more effectively have more number of successful projects and one out of five projects is unsuccessful due to ineffective communication (ibid). Consistent with this, Pinto and Slevin (1987) and Ioana et.al (2015) revealed the existence of positive relationship between effective communication and project success. Stephen and Daniel (2016) also revealed existence of a very positive relationship between communication and NGO project success in Kenya.

iv. Team building as a project success factor

Many literatures indicate team building as a determinant of project success. Lewis (2002, pp 118) stressed on the need to turn a project group into a team and says "teams don't just happen. They must be built! However, far too little attention is paid to team building in project management." Roe (2014) and Deloitte (2013) revealed that having clear structures and responsibilities for decision making in place, with clear reporting lines between individuals and groups involved in project management and delivery and governance-direction and oversight of projects are amongst the critical factors for the success of a project.

Calleam Ltd (2015) indicated that lack of clear roles and responsibilities (which result in confusion, errors and omissions), insufficient team members to complete the work that has been committed to and a team lacking the subject matter expertise are amongst the factors that affect successful completion of projects. Ioana et. al (2015) revealed a positive relation between having a properly defined roles and responsibilities and project success. Dugger (2007), Gow&Morss (1988) and Ika et al., (2010) cited in Ika (2012) revealed that delays in appointing personnel, or ineffective use of those appointed, which was true almost four decades ago, still remains to be a determinant of project success in Africa.

Projects are connected directly with people and their outcome depends on people decisions, efforts, and attitudes (Anastasios, 2007). Lewis (2004) argues that projects seldom fail because

of tools and because of people. Davis (2002, pp 189) further reinforces this idea by stating “It is people who deliver projects, not processes and systems.” Alexandrova and Ivanova (2012) indicated that the quality of personnel in general and that of competency of the managers and capability of team members in particular as a critical success factors.

v. Monitoring and Evaluation as a project success factor

Pact, 2008 defined monitoring as a systematic process of collecting and analyzing information to track the efficiency of the organization in achievement of goals. Monitoring provides regular feedback that helps an organization track costs, personnel, implementation time, organizational development, and economic and financial results to compare what was planned to actual events. Making allowances for adequate monitoring and feedback mechanisms gives the project the ability to anticipate problems, to oversee corrective measures, and to ensure that no deficiencies are overlooked (Pinto and Slevin, 1987). Although Results Based Management (RBM) as an approach and a tool has been around for more than a decade, it has been too focused on reporting to external stakeholder audiences and too little on using performance information in internal management decision-making processes to achieve better results (Ika & Lytvynov, 2011).

Pact, 2008 defined evaluation as a systematic process of collecting and analyzing information to assess the effectiveness of the organization in the achievement of goals. Evaluation provides regular feedback that helps an organization analyze the consequences, outcomes, and results of its actions. Yu et al. (2005) also discussed the importance and timing of project evaluations which aim at analyzing the success, concluding that the process is useful at any time between the first milestones until the completion of the project.

Stephen and Daniel (2016) in their research over Kenyan NGO projects revealed existence of a strong positive correlation between monitoring and evaluation and project success. Aaron and Daniel (2016) revealed that there is a moderately strong positive and statistically significant relationship between monitoring and evaluation and successful implementation of government projects in Kenya. Research on international development projects also indicate existence of a positive relation between the two variables (Ika et. al, 2011; Ioana et. al, 2015 and Pinto and slevin (1987).

2.4 Conceptual framework of the study

The conceptual framework shown in Figure 1 below is a schematic diagram which illustrates the relationship between the dependent variable that is successful implementation of IFRS project in Commercial Bank of Ethiopia and the independent variable which are top management support, Organizational Structure, Communication System, team building and Monitoring and Evaluation.

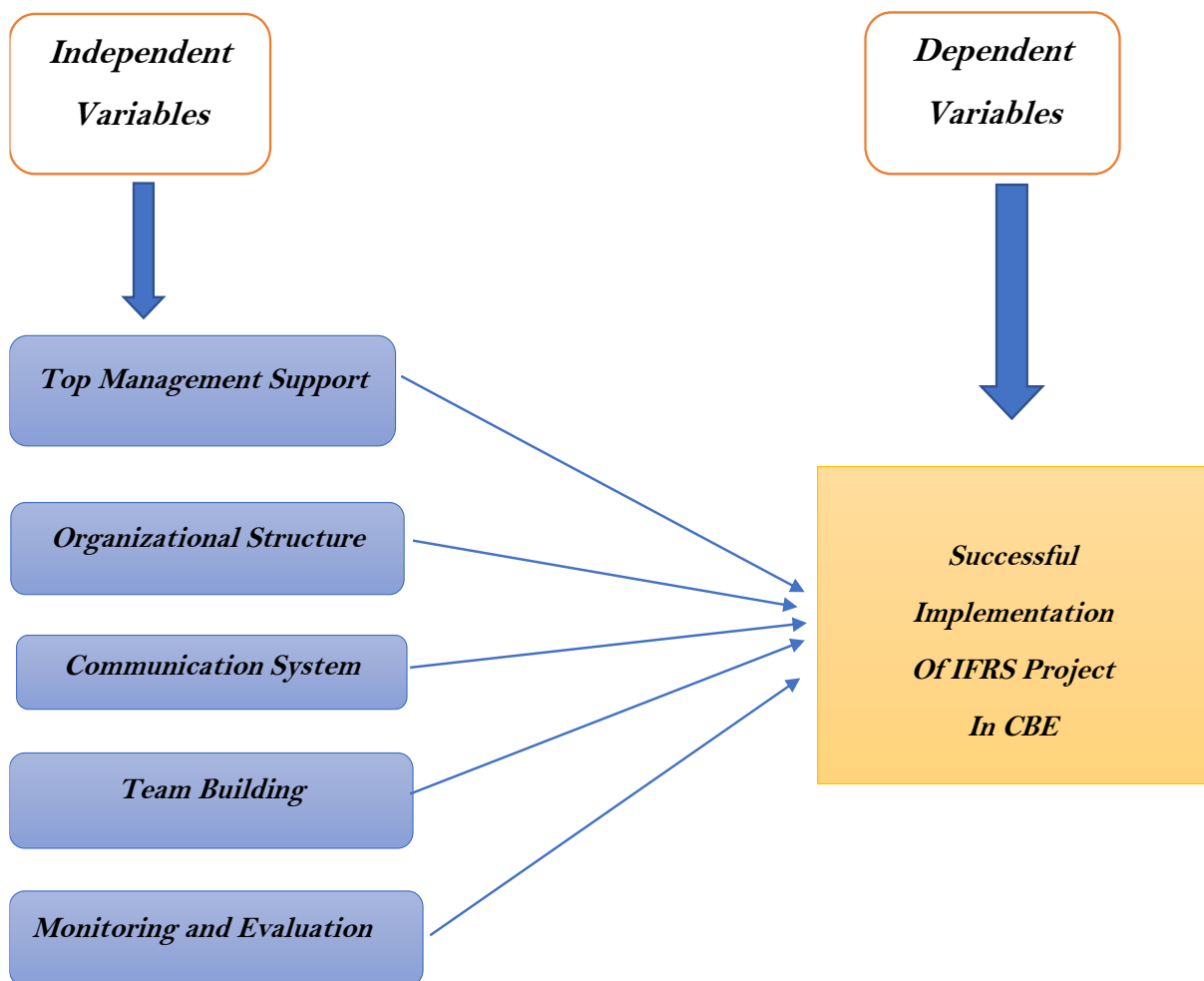


Figure 2.1: Conceptual Framework

Source: Developed by researcher 2018

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter explains the methodology used to conduct the research. This includes the research design, data sources and types of data, targets population, sampling technique, data collection instrument, data collection procedures, data processing and data analysis.

3.2 Research Design

The research design employed in conducting this study was descriptive survey research design. Descriptive design is used to obtain information concerning current status of the phenomena to describe what exists with respect to variables or conditions in a situation, it allows the researcher to describe record, analyze and report conditions that exists or existed. Kothari (2005).

The researcher therefore, preferred this method in order to get the best advantage of the approach by providing the descriptive feature of factors influencing successful implementation of IFRS Project in Commercial Bank of Ethiopia

3.3 Data Sources and Types of Data

The study was undertaken based on the data collected from both primary and secondary sources of data that will enable the researcher to meet the objective of the study. Primary data was obtained using structured questionnaire and interviews, with the intention of meeting ultimate objective of the study. Questionnaires was distributed to employees of Finance Management Process in the samples who are deemed to be knowledgeable about IFRS this was helped the researcher to get important perspective on IFRS project implementation and Semi structured interview with managers under Finance Management Process has be conducted. The secondary data was taken from publications, previous research and consultant printed documents about IFRS of the organization under study.

3.4 Sampling Techniques

Target Population

The target population of the study included employees of the Finance Management Process that have directly involved in the implementation of IFRS project. The total number of employees working in the Finance Management Process under various functions which was directly involved in the implementation of IFRS project was 55. As a result, these employees were the study's target population.

Sampling Technique

The researcher used non-random sampling technique that is judgmental /purposive/ sampling. The reason for selecting this purposive sampling is to select participants that have directly involved in the implementation of IFRS project.

Sample size Determination

For interview purpose, the sample (population) size was 8 in number. However; for the sake of questionnaires a total population size of 55 had been taken because 55 data points are very easily manageable and don't need to take a sample to study only a part of the population while the whole population can be easily studied.

3.5 Data Analysis

After the data was collected from primary source it was checked and edited to detect errors that had been committed by the respondents. Then, the edited data were coded and entered in to statistical package for social science (SPSS) version 24 computer software and analyzed through descriptive statistics, correlation and multiple linear Regression.

correlation analysis was made to establish whether there is an association between the independent variables and the dependent variable and multiple regression analysis was conducted to establish whether the independent variables had impact on the dependent variable.

3.6 Validity of the Study

Validity refers to the degree to which a study accurately reflects the specific concept that the researcher is attempting to measure or describe. The validity of research is conceived as the precision or correctness of the research finding. A number of measures was taken to enhance the validity of the research. First the researcher identified the study target carefully, second structured questionnaire survey was used and the questionnaires of the study was reviewed and commented by randomly selected senior managers and finally Likert like scale was used in the survey instruments.

3.7 Reliability of the study

A pilot study was carried out to determine reliability of the questionnaires. The pilot study involved the sample respondents. Reliability analysis was subsequently done using Cronbach's Alpha which measured the internal consistency by establishing if certain item within a scale measures the same construct. The findings were as shown in Table 3.1

Table3.1 Reliability Test Results

<i>Variables</i>	<i>Cronbach's Alpha</i>	<i>N of Items</i>	<i>Level of reliability</i>
Top Management Support	0.854	3	Very good reliability
Organizational Structure	0.848	3	Very good reliability
Communication System	0.855	3	Very good reliability
Team Building	0.847	3	Very good reliability
Monitoring and Evaluation	0.836	3	Very good reliability
Successful Implementation of IFRS project	0.870	1	Very good reliability

Own Source, 2018.

Gliem & Gliem (2003) established the Alpha value threshold at 0.7, thus forming the study's benchmark. Table 3.1 shows that all the six variables were reliable as their reliability values exceeded the prescribed threshold of 0.7.

3.8 Ethical Consideration

When human beings are the focus of investigation, it is necessary to look at the ethical implications of what we are proposing to do. Most ethical issues fall in to one of four categories: protection from harm, informed consent, right to privacy, and honesty with professional colleagues (Paul & Ormrod, 2005.)

Participants were given the choice up on their willingness to participate or not to participate, and furthermore the researcher informed in advance about the nature of the study. Participants were informed about confidentiality of their responses and this was stated clearly in the questionnaire, that it was only for academy purpose. The findings were reported in proper manner and honest way, without misrepresenting.

CHAPTER FOUR:

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter of the study deals with presentation, analysis, interpretations and discussions of the data gathered through primary data (questionnaire and interview).

To conduct data analysis, the study employed a descriptive analysis (mean and frequency distribution approach) to observe the feature of variables, following this, a correlation analysis used glaringly to measure the correlations of variables (IVs and DV), and finally the regression analysis conducted to measure the impacts of independent variables on dependent variable. In addition to this, the interview part of responses triangulated with the descriptive part of analysis.

On the basis of the analysis, the study entailed final decisions of the result of the discussion by taking 3 as a hypothetical average for the sake of descriptive analysis, and a mean result above 3 considered as satisfactory whereas below 3 regarded as unsatisfactory. For the sake of correlation analysis, the study adopted Pearson correlation analysis to establish whether there is an association between the independent variables and the dependent variable and significance test judgment by taking P-value, i.e., $P\text{-value} \leq 0.05$ taken as significance correlation, whereas, $P\text{-value} > 0.05$ reminded as insignificance correlation and this implied the correlation between the independent variables and dependent variable. This purported to judge the objectives of the study. In addition to this, multiple regression analysis judged similar to correlation analysis by taking P-value decision criteria.

4.2 Response Rate

A total of 55 questionnaires were sent to purposively selected employee of finance management of which 50 questionnaires were properly filled and returned which is 91% response rate.

4.3 Demographic Analysis

The demographic analysis entailed about the gender, age, marital status, educational qualification and work experience of respondents in the organization.

Table 4.1 Demographic pattern of respondents

<i>Demographic</i>			<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Percent</i>
Gender	Valid	Male	39	78	78.0
		Female	11	22	100.0
		Total	50	100	
Age	Valid	20-30 Years	18	36	36.0
		31-40 Years	21	42	78.0
		41-50 Years	10	20	98.0
		51 Years and Above	1	2	100
		Total	50	100	
Marital Status	Valid	Single	15	30	30.0
		Married	33	66	96.0
		Separates	1	2	98.0
		Divorced	1	2	100
		Total	50	100	
Educational Qualification	Valid	Masters (2nd Degree)	25	50	50
		First Degree	25	50	100
		Total	50	100	
Work Experience (Overall)	Valid	0-5 Years	12	24	24
		6-10 Years	17	34	58
		11-15 Tears	10	20	78
		Above 15 Years	11	22	100
		Total	50	100	

Own Source, 2018.

Table 4.1 depicts the demographic characteristics (Gender, Age, Martial Status, Educational qualification and work experience) distribution of respondents.

The above table posited, 39 (78%) of the respondents were male and the remaining 11(22%) of them were females which obviously shows that the majority of the respondents were male. In relation to age category as shown in same table respondents from age 20-30 comprised 18(36%) from ages 31-40 comprised of 21(42%) from age 41-50 comprised of 10(20%) and age above 51 comprised 1(2%) of the respondents.

Regarding the Marital Status 33(66%) of the respondent are married and 15(30%) are single. As far as the educational qualification of the respondent half of them (50%) have a Master Degree and the remaining half have first Degree.

In terms of work experience, 11(22%) of the total respondents have more than 15 years of experience, 10(20%) between 11 and 15 years of experiences, 17(34%) between 6 and 10 years of experience and 12(24%) have less than 5 years of experiences.

4.4 Descriptive Statistics of Dependent and Independent Variables

To include all the data values, the most frequently used measure of central tendency is the mean or average, which includes all data values in its calculation. Because the mean is the building block for many of the statistical tests used to explore relationships.

4.4.1 Top Management Support

Literature indicated that top management support refers to both the nature and amount of support the project manager can expect from management both for himself as leader and for the project and Top management support has been consistently identified as the most important and crucial success factor in project implementation.

The respondents were asked to indicate their level of agreement with the statements on “Top Management” support and commitment on the successful implementation of IFRS project in CBE and their response is summarizing in the table below.

Table 4.2 Descriptive Statistics on Response to Top Management Support

Item	N	Minimum	Maximum	Mean	Std. Deviation
Top management of the Bank was able to make effective leadership and decision making	50	2	5	3.86	0.904
Top management of the Bank has willing to provide the necessary resources and authority power for the successful implementation of IFRS Project	50	2	5	3.90	0.789
There was guidance from Top Management for successful completion of IFRS implementation	50	2	5	3.88	0.773
Valid N (listwise)	50				
Overall mean				3.88	

Own Source, 2018.

According to the findings, the respondents agreed with a mean of 3.86, 3.90 and 3.88 and a standard deviation of 0.904, 0.789 and 0.733 that top management of the Bank was able to make effective leadership and decision, it has willing to provide the necessary resources and authority and there was guidance from top management for successful completion of IFRS implementation.

Finally, the overall mean for top management support is 3.88 which imply there were effective top management support from top management of the Bank during the implementation of IFRS project and also respondent from interview question state that there was support from the steering committee which are the member of top management of the bank during the implementation of IFRS project in CBE specially in deciding core activity of the project.

4.4.2 Organizational Structure

Organization structure is the hierarchical relationships of various entities within the organization that collaborate with each other for project execution and Organizational structure, style, and culture influence implementation of projects.

The respondents were also asked to indicate their level of agreement with the statements on Organizational structure of the bank on the implementation of IFRS project. The results are shown in table below

Table 4.3 Descriptive Statistics on Response to Organizational Structure

Item	N	Minimum	Maximum	Mean	Std. Deviation
There was appropriate organizational structure for IFRS Project implementation	50	2	5	3.74	0.751
Organizational structure contribute for the effective implementation of IFRS project	50	2	5	3.84	0.792
The organizational culture of the Bank has positive effective on the implementation of IFRS Project	50	2	5	3.90	0.789
Valid N (listwise)	50				
Overall mean				3.83	

Own Source, 2018.

From the findings, the respondents agreed with a mean of 3.74,3.84 and 3.90 and a standard deviation of 0.751,0.792 and 0.789 that there was appropriate organizational structure for IFRS Project implementation and this Organizational structure contribute for the effective implementation of IFRS project and The organizational culture of the Bank has positive effective on the implementation of IFRS Project.

The overall mean for Top Management support is 3.83 which imply there were appropriate and effective organizational structure during the implementation of IFRS Project.

Respondent from interview question state that the organization structure and culture were smooth and flexible for effective implementation of IFRS project.

4.4.3 Communication System

Adequate communication is a critical factor in creating an atmosphere of successful project implementation and organizations that communicate more effectively have more number of successful projects.

The respondents were asked to indicate their level of agreement with the statements on communication system of the bank on the implementation of IFRS project. The results are shown in table below.

Table 4.4 Descriptive Statistics on Response to Communication System

Item	N	Minimum	Maximum	Mean	Std. Deviation
Standardized formats and templates have been used for all formal project communications regarding with the interest of the stakeholders	50	2	5	3.58	0.883
Performance feedback has been regularly provided to all stakeholders based on their role and responsibility	49	2	5	3.61	0.885
There was clear, timely, and unambiguous communication between all parties in the IFRS implementation	50	2	5	3.38	0.830
Valid N (listwise)	49				
Overall mean				3.52	

Own Source, 2018.

According to the findings, the respondents agreed with a mean of 3.58 and 3.61 and a standard deviation of 0.883 and 0.885 that Standardized formats and templates has been used for all formal project communications regarding with the interest of the stakeholders and Performance feedback has been regularly provided to all stakeholders based on their role and responsibility. For the statement There was clear, timely, and unambiguous communication between all parties in the IFRS implementation The respondents were neutral with a mean of 3.38 and a standard deviation of 0.830.

The overall mean for Communication system during the implementation of IFRS Project is 3.52 which imply the respondent agreed that there was appropriate communication system. However, Respondent from interview question state that the project team and the consultant share the same office and there was a biweekly meeting with the steering committee which facilitate effective communication among the stakeholders, the project team and consultant during the implementation of IFRS project.

4.4.4 Team Building

Many literatures indicate team building as a determinant of project success because Projects are connected directly with people and their outcome depends on people decisions, efforts, and attitudes.

The respondents were asked to indicate their level of agreement on various statements in relation to team building and the results are shown in the table below.

Table 4.4 Descriptive Statistics on Response to Team Building

Item	N	Minimum	Maximum	Mean	Std. Deviation
There was trust and values within the IFRS implementation team	50	2	5	3.82	0.748
IFRS project team understands the goals and objectives of the IFRS project implementation	50	2	5	4.02	0.714
The team members were willing to carry out their roles and responsibilities effectively	50	2	5	3.92	0.804
Valid N (listwise)	50				
Overall mean				3.9	

Own Source, 2018.

From the findings, the respondents agreed with a mean of 3.82, 4.02 and 3.92 and a standard deviation of 0.748, 0.714 and 0.804 that there was trust and values within the IFRS implementation team, IFRS project team understand the goals and objectives of the IFRS project implementation and the team members were willing to carry out their roles and responsibilities effectively.

The overall mean for effective team building is 3.9 which imply that there was effective and efficient team during the implementation of IFRS Project, and also Respondents from interview question state that there was effective team during the implementation of IFRS project since it includes adequate number of team members from senior and experienced staff members related

to business and service area, who are capable of making decision related to the area they represents and those who are capable and voluntary working long hours.

4.4.5 Monitoring and Evaluation

Monitoring is a systematic process of collecting and analyzing information to track the efficiency of the organization while, evaluation is a systematic process of collecting and analyzing information to assess the effectiveness of the organization in the achievement of its objectives.

The respondents were asked to indicate their level of agreement with various statements in relation to monitoring and evaluation and the results are shown in table below.

Table 4.5 Descriptive Statistics on Response to Monitoring and Evaluation

Item	N	Minimum	Maximum	Mean	Std. Deviation
There were good practice of developing monitoring and evaluation schedule	50	2	5	3.84	0.710
Standard template have been used for monitoring and evaluation during IFRS Implementation	50	2	5	3.70	0.863
Monitoring and evaluation reports have been used for decision making	50	1	5	3.90	0.931
Valid N (listwise)	50				
Overall mean				3.8	

Own Source, 2018.

From the findings, the respondents agreed with a mean of 3.84, 3.7 and 3.90 and a standard deviation of 0.710, 0.863 and 0.931 that there were good practice of developing monitoring and evaluation schedule there were also Standard template used for monitoring and evaluation during IFRS Implementation and Monitoring and evaluation reports have been used for decision making.

The overall mean for monitoring and evaluation is 3.8 which imply that there was effective monitoring and evaluation during the implementation of IFRS project.

Respondent from questionnaires state that there was continues evaluation of project progress between project team and consultant, and there was biweekly meeting with the steering committee with the aim of monitoring and evaluation of the project progress.

4.4.6 Successful implementation of IFRS Project

project success linked to efficiency and effectiveness. Meeting deadline and budget goals indicates that a project has been efficiently managed. However, most projects are part of their organizations' strategic management and must be evaluated based on their contributions to the business' results (effectiveness) (Shenrar, A. &Dvir, D. 2010).For the dependent variable of successful implementation of IFRS project, the respondents were asked to indicate their level of agreement and as per the table shown below they agree with mean of 4.40 and standard deviation of 0.535 that IFRS project has completed on time, within budget, meets quality target and Successful Implementation of IFRS project has contributes to the achievement of the organization's strategic objectives of CBE.

Table 4.6 Descriptive Statistics on Response to successful implementation of IFRS project

Item	N	Minimum	Maximum	Mean	Std. Deviation
IFRS project has completed on time, within budget, meets quality target and contributes to the achievement of the organization's strategic objectives	50	3	5	4.40	0.535
Valid N (listwise)	50				

Own Source, 2018.

4.5 Correlation Analysis

This study used Pearson correlation analysis to establish whether there is an association between the independent variables and the dependent variable. The correlation coefficient can range between ± 1.0 (plus or minus one). A coefficient of +1.0, a "perfect positive correlation," means that changes in the independent item will result in an identical change in the dependent item. A coefficient of -1.0, a "perfect negative Correlation," means that changes in the independent item will result in an identical change in the dependent item, but the change will be in the opposite

direction. A coefficient of zero means there is no relationship between the two items and that a change in the independent item will have no effect in the dependent item. This study is based on the following assumption.

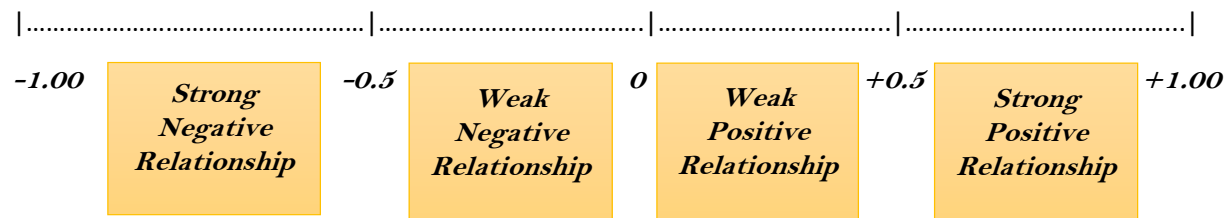


Table 4.7 Correlation Analysis

IVS	DVS Successful Implementation of IFRS project		
	Pearson Correlation	P Value	Significance
Top Management Support	0.383	0.002	Significant
Organizational Structure	0.387	0.004	Significant
Communication System	0.327	0.001	Significant
Team Building	0.418	0.002	Significant
Monitoring and Evaluation	0.678	0.000	Significant
** . Correlation is significant at the 0.01 level (2-tailed).			

Own Source, 2018.

Table 4.7 described the correlation analysis of the Independent Variables(IVs) (Top Management Support, Organizational Structure, Communication System, Team Building and Monitoring and Evaluation) with the Dependent variables (DV) (Successful Implementation of IFRS project) based on the observed case of 50. Pursuant to this, the Pearson Correlation (0.383, 0.387, 0.327, and 0.418) indicated a week positive association of the Independent Variables(IVs) (Top Management Support, Organizational Structure, Communication System and Team Building) with the dependent variable Successful Implementation of IFRS project.

With Pearson Correlation of 0.678 the Independent Variable Monitoring and Evaluation has strong positive relationship with the dependent variable Successful Implementation of IFRS project.

The significance level, $p < 0.05$ is used to establish the relationship between Independent Variables (IVs) (Top Management Support, Organizational Structure, Communication System, Team Building and Monitoring and Evaluation) with the Dependent variables (DV) (Successful Implementation of IFRS project). As shown in the above table, there is a significant correlation between all of the independent variables with the independent variables.

4.6 Regression Analysis and Hypothesis Test Results

The regression analysis was conducted to establish whether the independent variables (Top Management Support, Organizational Structure, Communication System, Team Building and Monitoring and Evaluation) had impact on the dependent variable (Successful Implementation of IFRS project). In order to achieve the regression analysis and the research model, the researcher believed it is better to employ prominent assumption tests. Thus, the study employed prominent assumption tests for the regression analysis in order to minimize any error to inferences the results based on the samples for the whole population and the assumption test is attached under annex 3.

4.6.1 Multiple Regression Analysis

Multiple regression analysis was done using SPSS 24 to establish whether there is any relationship between the dependent and independent variables. The outcome was predicted by the model:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where Y= successful implementation of IFRS project

α = constant (Intercept)

β = slope (gradient) showing rate dependent variable is changing for each unit change of the independent variable.

X_1 = Top Management support

X_2 = Organization Structure

X_3 = Communication system

X_4 = Competent team building

X_5 = Effective monitoring and evaluation

ε = Error Term

Successful Implementation of IFRS project (SI) = α + β_1 Top Management Support + β_2 Organizational Structure + β_3 Communication System + β_4 Team Building + β_5 Monitoring and Evaluation + ε

Table 4.7: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642 ^a	0.412	0.345	0.433

Own Source, 2018.

Table 4.7 indicated the Multiple regression analysis model of the relationship between the independent variable and dependent variable. The coefficient of determination (R^2) and correlation coefficient (R) shows the degree of association between the two. The results of the analysis posited that $R^2=0.412$ and $R = 0.642$ which indicates that there is a positive relationship between independent variables (Top Management Support, Organizational Structure, Communication System, Team Building and Monitoring and Evaluation) and dependent variable (Successful Implementation of IFRS project).

In addition to this, the result divulged that whenever the independent variable changed by 1%, it had predicted the dependent variable by 41.2%.

Table 4.8 Regression Analysis of IVs

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.490	0.400		6.231	0.000
	Top Management Support	0.009	0.113	0.013	0.084	0.934
	Organizational Structure	0.001	0.127	0.001	0.006	0.995
	Communication System	0.047	0.103	0.071	0.454	0.652
	Team Building	0.050	0.124	0.069	0.405	0.687
	Monitoring and Evaluation	0.389	0.121	0.542	3.209	0.002

Own Source, 2018.

Table 4.8 indicated the regression coefficient, constant and the P-Value or significance test of the analysis. On the basis of this analysis, the multiple regression equation has the following features:

$$\text{Successful Implementation of IFRS project (SI)} = 2.490 + 0.009 \text{Top Management Support} + 0.001 \text{Organizational Structure} + 0.047 \text{Communication System} + 0.050 \text{Team Building} + 0.389 \text{Monitoring and Evaluation} + \varepsilon$$

The values of the unstandardized Beta Coefficients (β) indicate the effects of each independent variable on dependent variable. Furthermore, the values of the unstandardized Beta Coefficients in the Beta column of the Table 4.8 above, indicate which independent variable makes the strongest contribution to explain the dependent variable, when the variance explained by all other independent variables in the model is controlled. The t value and the sig (p) value indicate whether the independent variable is significantly contributing to the prediction of the dependent variable.

The study's hypothesis testing was made based on β , t , and P values. Hence using those coefficient results, the proposed hypotheses for this study were tested as follows.

Hypothesis 1: There is significant effect of top management support on successful implementation of IFRS project in CBE.

The results of multiple regressions, as presented in Table 4.8 above, revealed that top management support had insignificant effect on successful implementation of IFRS project in CBE with ($\beta = 0.009$, $t = 0.084$ and $p = 0.934$). Holding all the other independent variables constant, a unit increase in top management support would lead to a 0.009 increase in successful implementation of IFRS project which is almost no effect. Thus, the proposed hypothesis was rejected.

Hypothesis 2: There is significant effect of organization structure on successful implementation of IFRS projects in CBE.

The results of multiple regressions, as presented in Table 4.8 above, revealed that organizational structure has insignificant effect on successful implementation of IFRS project in CBE with (β

=0.001, $t = 0.006$ and $p = 0.995$). Holding all the other independent variables constant, a unit increase in organizational structure would lead to only a 0.001 increase in successful implementation of IFRS project Thus, the proposed hypothesis was rejected.

Hypothesis 3: There is significant effect of effective communication systems on successful implementation of IFRS projects in CBE.

The results of multiple regressions, as presented in Table 4.8 above, revealed that effective communication system had insignificant effect on successful implementation of IFRS project in CBE with ($\beta = 0.047$, $t = 0.454$ & $p = 0.652$). Holding all the other independent variables constant, a unit increase in effective communication system would lead to only a 0.047 increase in successful implementation of IFRS project Thus, the proposed hypothesis was rejected

Hypothesis 4: There is significant effect of Competent team building on successful implementation of IFRS projects in CBE.

The results of multiple regressions, as presented in Table 4.8 above, revealed that Competent team building had insignificant effect on successful implementation of IFRS project in CBE with ($\beta = 0.050$, $t = 0.405$ & $p = 0.687$). Holding all the other independent variables constant, a unit increase in Competent team building would lead to only a 0.050 increase in successful implementation of IFRS project Thus, the proposed hypothesis was rejected.

Hypothesis 5: There is significant effect of Effective Monitoring and Evaluation on successful implementation of IFRS project in CBE.

The results of multiple regressions, as presented in Table 4.8 above, revealed that Effective Monitoring and Evaluation had had a positive and significant effect on successful implementation of IFRS project in CBE with ($\beta = 0.389$, $t = 3.209$ & $p = 0.002$). Holding all the other independent variables constant, a unit increase in Effective Monitoring and Evaluation would lead to 0.389 increase in successful implementation of IFRS project Thus, the proposed hypothesis was accepted.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

In this section, the research is dealt about the summary of findings, conclusions and recommendations. The researcher strived to take the summarized results of the study from the discussion of analysis part; following this, the conclusions were derived on the basis of the research objectives and hypothesis. In the last part of this section, the recommendation part drew from the literature and theoretical concepts context.

5.1 Summary of Major Findings

The main purpose of this study was to investigate Factors Influencing Successful Implementation of International Financial Reporting Standards (IFRS) Project in CBE. The findings of the study encompassed the data collected using questionnaires and analyzed through descriptive statistics, frequency distribution, Pearson Correlation and multiple linear Regression analysis. The discussion attempted to accomplish the objectives of the study, answer the research questions and test the hypotheses; accordingly, the following findings were identified:

1. The result of the survey identified that the gender group of respondents dominated by male which accounted for 78%. The majority age group of respondents which accounted to 78% were ranging from 20 to 40 years old, so this result seems good since the availability of productive and experienced personnel in the bank is prone to effective implementation of IFRS project. The level of education mater in applying new ideas and methods so from the result of this study we observed that 100% the respondent was first and second degree holders so this enhance the implementation process of IFRS in the Bank. 42% of the respondent have more than 11 years of experience and this is good indication since long term work experience enhances IFRS implementation process.
2. In the correlation analysis of the study, top management support, organizational structure, communication system and team building have a weak positive association with the successful implementation of IFRS project with Pearson Correlation 0.383, 0.387, 0.327, and 0.418 respectively. However, Monitoring and Evaluation has strong positive

relationship with the successful implementation of IFRS project with a Pearson Correlation of 0.678.

3. The results of multiple regressions revealed that top management support, organizational structure, communication system and team building has insignificant effect on successful implementation of IFRS project. However, effective monitoring and evaluation had a positive and significant effect on successful implementation of IFRS project in CBE.

5.2 Conclusions

The conclusions of the whole study were made through comparison of the project objectives and hypothesis that set by the researcher.

Accordingly, the researcher concluded the study on the basis of the objectives in the following manner:

1. For the sake of the last research objectives which dealt about to identify the relationship of monitoring and evaluation and successful implementation of IFRS project in CBE, according to the correlation analysis monitoring and evaluation has strong positive relationship and significant correlation with the successful implementation of IFRS project.
2. For the sake of other objectives i.e., the first, second, third, and fourth objectives which emphasized about To identify the relationship of top management support and successful implementation of IFRS project in CBE, To identify the relationship of organization structure and successful implementation of IFRS project in CBE, To identify the relationship of communication system and successful implementation of IFRS project in CBE and To identify the relationship of building competent project team and successful implementation of IFRS project in CBE, the study based on correlation analysis concluded that all had weak positive association and significant correlation with the successful implementation of IFRS project.

In addition to this, the study concluded the hypothesis in the following way:

1. Based on the findings of this study the result indicate that monitoring and evaluation had a significant effect on successful implementation of IFRS project in CBE. The hypothesis H5: There is significant effect of effective monitoring and evaluation on successful implementation of IFRS project in CBE was accepted.
2. The study found out that top management support, organizational structure, communication system and team building has insignificant effect on successful implementation of IFRS project. The hypothesis H1: There is significant effect of top management support on successful implementation of IFRS project in CBE, H2: There is significant effect of organization structure on successful implementation of IFRS projects in CBE, H3: There is significant effect of effective communication systems on successful implementation of IFRS projects in CBE, H4: There is significant effect of Competent team building on successful implementation of IFRS projects in CBE was rejected.

5.3 Recommendations

The study makes the following recommendations that will enhance the successful implementation of IFRS project in CBE.

The top management support is very crucial in successful implementation of IFRS and any other projects in CBE and greatly affect the overall success of project and should be taken seriously. The top management shall release the best of the resources and their full corporation to the project as and when necessary and resolve issues related to the project in a timely and effective manner.

It is important for the bank to have project related organization structure since the adoption of project friendly organizational structure will keenly consider projects and success rate of project will be high and within the time limit given to the projects.

The communication channels that deliver the information at the shortest time which are reliable, effective and efficient should be used for easier and faster communication of issues concerning projects. The bureaucracy of communication which takes long and not effective should be done

away with and embrace the faster and effective way of communication. Project steering committee need to have direct communication with the project manager and Progress review meetings with the participation of the bank 's project manager and the consultant shall be held on a frequent basis.

Having experienced, professional, competent project team is important for successful implementation of the project and it is advisable to include senior and experienced staff members who has related expertise knowledge in finance area and who are capable of making decision related to the area they represent. The projects team should be offered indoor training to enhance their skills related to the successful implementation of projects.

The organization should give emphasis on monitoring and evaluation because effective monitoring and evaluation help the organization to achieve its objectives. The bank should give awareness creation training to all stakeholders especially those in the Steering Committees to build their commitment towards seriously following project progress. It is also highly needed to the bank to have organized monitoring and evaluation system with electronic database, which can ensure that using monitoring and evaluation findings in decision making and document lessons learned for future interventions and the most important thing is to take corrective action. deviation of the plan and the performance, to analyses emerging problems. Participating major stakeholders in conducting monitoring and evaluation by using participatory approach is vital for successful implementation of IFRS and any other projects.

5.4 Suggestions for Further Research

The study sought to investigate Factors Influencing Successful Implementation of International Financial Reporting Standards (IFRS) Project in CBE and it was established from literature review that many studies have been conducted in Ethiopia about the challenges of adapting IFRS. However, so very little (almost no study) has been undertaken to explore Factors Influencing Successful Implementation of IFRS Project from the project implementation perspective and that is the reason why the researcher calls for further studies to be undertaken in Ethiopia

Furthermore, the study gave attention to only few critical success factors and it could not exhaust the entire critical success factor that influence Successful Implementation of IFRS project. Therefore, there is need for more research which will be inclusive of all the critical success factors that influence Successful Implementation of IFRS project.

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Appendix 1

Questionnaire & Interview instruments used to collect Information

Addis Ababa University
School of Commerce
Project Management Postgraduate Program
Survey Questionnaire

Dear sir/Madam;

I am undertaking a research on the topic entitled “*Factors Influencing Successful Implementation of International Financial Reporting Standards (IFRS) Project in Commercial Bank of Ethiopia*” as a partial fulfilment of senior essay required for Masters of Arts program in project management at Addis Ababa University School of Commerce.

The main purpose of this questionnaire is to collect information regarding Factors Influencing Successful Implementation of IFRS Project in Commercial Bank of Ethiopia. As a Commercial Bank of Ethiopia Finance Process staff you are invited to participate in this survey.

I would like to confirm you that your response will be kept strictly confidential and it will be used exclusively for the purpose of this research. Besides, your swift response is enormously important in order to finalize the research timely and I would appreciate if you complete and return it within a short period of time of your responses.

Your cooperation is highly appreciated in advance, and looking forward to receiving your response.

Yours faithfully,

Temesgen Worku

Tel: +0911179230

E-mail:

atotemesgn@gmail.com

temesgenworku@cbe.com.et

Thank you very much!

PART I: Background Information of Respondents

Please fill the answer by putting “√” mark

<i>No.</i>	<i>Items</i>	<i>Option/dimension</i>	<i>Put (√)</i>
1	Gender:	Male	
		Female	
2	Age:	20-30 Years	
		31-40 Years	
		41-50 Years	
		51 Years & Above	
3	Marital Status:	Single	
		Married	
		Separate	
		Divorced	
		Widowed	
4	Educational Qualification:	PhD	
		Masters(2nd Degree)	
		First Degree	
		Diploma	
5	Work Experience (Overall):	0-5 Years	
		6-10 Years	
		11-15 Years	
		Above 15 Years	

PART II

Please Indicate Your Response by using tick mark (√) According to Your Choice

<i>Code</i>	<i>Descriptions</i>	<i>Scales</i>				
		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
1	Top Management Support					
1.1	Top management of the Bank was able to make effective leadership and decision making					
1.2	Top management of the Bank has willing to provide the necessary resources and authority power for the successful implementation of IFRS Project					
1.3	There was guidance from Top Management for successful completion of IFRS implementation					
2	Organizational Structure					
2.1	there was appropriateness organizational structure for IFRS Project implementation					
2.2	organizational structure contribute for the effective implementation of IFRS project					
2.3	the organizational culture of the Bank has positive effective on the implementation of IFRS Project					
3	Communication System					
3.1	Standardized formats and templates has been used for all formal project communications regarding with the interest of the stakeholders					
3.2	Performance feedback has been regularly provided to all stakeholders based on their role and responsibility					
3.3	there was clear, timely, and unambiguous communication between all parties in the IFRS implementation					
4	Team Building					
4.1	there was trust and values within the IFRS implementation team					
4.2	IFRS project team understand the goals and objectives of the IFRS project implementation?					
4.3	The team members were willing to carry out their roles and responsibilities effectively					
5	Monitoring and Evaluation					
5.1	there were good practice of developing monitoring and evaluation schedule					
5.2	standard template have been used for monitoring and evaluation during IFRS Implementation					
5.3	monitoring and evaluation reports have been used for decision making					
6	IFRS project has completed on time, within budget, meets quality target and contributes to the achievement of the organization's strategic objectives					

Check List for in-depth Interview Questions for Directors, Managers and Team Leaders of IFRS implementation project

Dear Respondent,

The objective of this interview is to gather and analyze relevant and in-depth information that will provide insights about Factors Influencing Successful Implementation of International Financial Reporting Standards (IFRS) Project in Commercial Bank of Ethiopia. This study is undertaken as a partial requirement for the completion of MA in Project Management.

1. What was your role in the Implementation of IFRS Project?
2. On what key factors do you define IFRS implementation Success?
3. Was there monitoring and evaluation by Board of Directors and senior management during the implementation of IFRS?
4. Do you think there was effective top Management support, commitment and guidance during IFRS implementation process? Explain
5. Was there effective communication among project manager, team leaders team members and other stakeholders? How?
6. Was there proper Organizational structure in implementation of IFRS?
7. Was there effective and efficient team member during the implementation of IFRS?
8. Do you have any comment to add?

Appendix 2

Assumption Test

In order to achieve the regression test, there should be assumption test of linearity, normality, homoscedasticity, autocorrelation and multicollinearity. Pursuant to this, the study employed independent variables tests.

Multicollinearity statistics test

Multicollinearity refers to the assumption that the independent variables are uncorrelated. The researcher is able to interpret regression coefficients as the effects of the independent variables on the dependent variables when Multicollinearity is low. This means that we can make inferences about the causes and effects of variables reliably.

Multicollinearity can be tested by looking at the **Coefficients** table. This allows to more formally check that the predictors (or IVs) are not too highly correlated. VIF and Tolerance statistics can be used to assess this assumption. For the assumption to be met VIF scores should be well below 10, and tolerance scores should be above 0.2.

As depicted in the table below there were no problem of multicollinearity since VIF values <10, and all tolerance >0.2.

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Top Management Support	0.542	1.844
	Organizational Structure	0.459	2.180
	Communication System	0.544	1.840
	Team Building	0.455	2.199
	Monitoring and Evaluation	0.468	2.136

a. Dependent Variable: Successful Implementation of IFRS project

Own Source, 2018.

Autocorrelation test

The Durbin Watson statistic is a number that tests for autocorrelation in the residuals from a statistics regression analysis. The Durbin-Watson statistics is always between 0 and 4. A rule of thumb is that test statistic values in the range of 1.5 to 2.5 are relative normal. Any value outside this range could be a cause for concern. The result of the Durbin-Watson figure stated $d=2.261$ which is between $1.5 < d < 2.5$, this means, there were no autocorrelation problem.

Model Summary ^b					
<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted R Square</i>	<i>Std. Error of the Estimate</i>	<i>Durbin-Watson</i>
1	.642 ^a	0.412	0.345	0.433	2.261
a. Predictors: (Constant), Monitoring and Evaluation, Organizational Structure, Top Management Support, Communication System, Team Building					
b. Dependent Variable: Successful Implementation of IFRS project					

Own Source, 2018.

According to Field, 2009, in his study mentioned that Durbin-Watson result between 1.5 and 3.00 posited free from auto correlation. So the study also obeyed this assumption test rule.

Homoscedascity test

Homoscedasticity refers about the homogeneity of variances. The researcher applied a Levene Statistic which means if the result of a SPSS output has insignificance results, it means the diagnosis has achieved homogeneity of variance (Field, 2013).

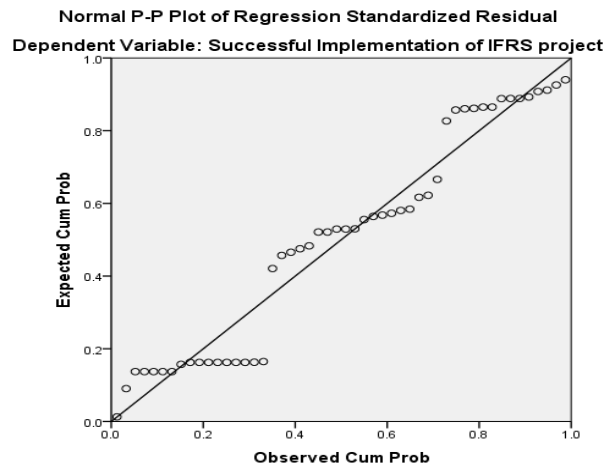
Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
Top Management Support	.012a	1	47	0.914
Organizational Structure	.342b	1	47	0.561
Communication System	.828c	1	47	0.368
Team Building	.214d	1	47	0.646
Monitoring and Evaluation	1.916e	1	47	0.173

As described in the above table homoscedasticity test referred the homogeneity of variance. The researcher deployed Levene Statistic according to the result the median disclosed a P –Value $>.05$ with df1 and df2 of 1 and 47 respectively. On the basis of Levene Statistic insignificance referred existing of homogeneity of variance.

Linearity Test

Linearity defines the dependent variable as a linear function of the predictor (independent) variables Multiple regression can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature.

The figure below shows normal P-plot with normal distribution from the SPSS software.



Normality Test

Multiple regression assumes that variables have normal distributions. This means that errors are normally distributed, and that a plot of the values of the residuals will approximate a normal curve. The assumption is based on the shape of normal distribution and gives the researcher knowledge about what values to expect. Once the sampling distribution of the mean is known, it is possible to make predictions for a new sample.

The figure below shows histogram with normal distribution from the SPSS software.

