

**DEBRE BEREHAN UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**

**THE EFFECT OF ORGANIZATIONAL CULTURE ON THE SUCCESS OF
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ADOPTION
PROJECTS: THE CASE OF PRIVATE COMPANIES IN ETHIOPIA**

**A THESIS SUBMITTED TO DEBRE BERHAN UNIVERSITY, COLLEGE OF
BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTERS OF PROJECT MANAGEMENT**

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AUTHOR DECLARATION

I, the undersigned, declare that this thesis is my genuine work, and that all sources of materials used for this thesis have been profoundly acknowledged. This thesis has been submitted in partial fulfillment of the requirements for Master of Arts (MA) Degree at Debre Berhan University and it is deposited at the University library to be made available for users under the rule of the library. I declare that this thesis is not submitted to any other institution anywhere for the award of any academic degree, diploma or certificate.

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APPROVAL SHEET – I

This is to certify that the thesis entitled: “The Effect of Organizational Culture on the Success of International Financial Reporting Standards (IFRS) Adoption Projects: The Case of Private Companies in Ethiopia.” submitted in partial fulfillment of the requirements for the degree of Masters of Arts with specialization in Project Management of the Graduate Program of the Department of Management, College of Business and Economics, Debre Berhan University and is a record of original research carried out by Belayneh Hailegeorgis (DBU 1500126), under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend that it to be accepted as fulfilling the thesis requirements.

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APPROVAL SHEET – II

We, the undersigned members of the board of the examiners of the final open defense by Belayneh Hilegeorgis have read and evaluated his thesis entitled “The Effect of Organizational Culture on the Success of International Financial Reporting Standards (IFRS) Adoption Projects: The Case of Private Companies in Ethiopia.”, and examined the candidate. This is therefore to certify that the thesis has been accepted in partial fulfillment of the requirements for the degree of Master of Arts in Project Management.

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ABBREVIATIONS AND ACRONYMS

AABE	Accounting and Auditing Board of Ethiopia
AC	Adhocracy Culture
CC	Clan Culture
CVF	Competing Value Framework
ECX	Ethiopian Commodity Exchange
GLOBE	Global Leadership and Organizational Behavior Effectiveness
HC	Hierarchy Culture
IAS	International Accounting Standards
IASB	International Accounting Standard Board
IASC	International Accounting Standard Committee
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting Standards
ISA	International Standards for Auditing
MC	Market Culture
MOFEC	Minister of Finance And Economic Cooperation
OCAI	Organizational Culture Assessment Instrument
PIE	Public Interest Entities
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
SMEs	Small and Medium Sized Entities
SPSS	Statistical Package for the Social Scientists
VIF	Variance Inflation Factor

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ABSTRACT

The study has assessed the effect of organizational culture on the success of IFRS first time adoption projects in the case of privately owned companies in Ethiopia with the exception of financial institutions. Thus, the study examined the effect of clan, adhocracy, hierarchy and market oriented organizational cultures on the success of IFRS adoption projects. With regard to the methodology, mixed approach i.e., explanatory sequential research design has been used to investigate the study. In doing so, first, primary data has collected from 256 respondents of the structured questionnaires in the form of 5 scale Likert scale model, and then unstructured interviews were conducted with five purposefully selected respondents. With regard to the analysis, data that has collected through questionnaire was analyzed using descriptive and inferential statistics, and then data obtained through conducting in-depth interview has used to support the quantitative analysis results. Finally, with regard to the study results, the study found a moderate fit ($R\text{-squared} = 0.488$) between the four organizational cultures (market, clan, hierarchy, adhocracy) and IFRS adoption success. In addition, the study found that market culture ($\beta = 0.677, p < 0.05$) and clan culture ($\beta = 0.429, p < 0.05$) shows the strongest positive impact on IFRS adoption success in Ethiopian private companies. Conversely, strong adhocracy ($\beta = -0.211, p < 0.05$) and hierarchy cultures ($\beta = -0.171, p < 0.05$) were associated with lower success rates of IFRS first time adoption projects. The interviewee response also uncovered that besides the role of organizational culture, mandatory nature of IFRS adoption and competency of external IFRS consultants affect the success of IFRS adoption projects in Ethiopia.

Keywords: Organizational Culture, Clan Culture, Adhocracy Culture, Hierarchy Culture, Market Culture, Project Management, and IFRS First Time Adoption Project.

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

Much has been written and studied about organizational culture, but a singular or one-size-fits-all definition is not yet available. Organizational culture, as defined by Schein (2010), encompasses the shared values, beliefs, behaviors, and norms that characterize an organization and guide its members' interactions and decision-making processes. It is often described as the "personality" of an organization, shaping how people within the organization think, behave, and work together. This shared culture provides a sense of identity and cohesion among employees, fostering a feeling of belonging and commitment.

Furthermore, Cameron & Quinn (2011) describes organizational culture as the embodiment of the organization's identity and the "glue" that holds all the workers together. Organizational culture serves as a guide for behavior within the organization, setting expectations for what is acceptable and what is not. This guidance helps ensure consistency in actions and decision-making, contributing to a stable and predictable work environment. A positive organizational culture can also increase employee engagement and motivation. When employees feel connected to the organization's values and goals, they are more likely to be productive and committed (Schein, 2010). Additionally, a strong organizational culture can help attract and retain talent. Organizations with a positive culture are more likely to attract top talent who align with the organization's values. Furthermore, a positive culture can help retain employees by creating a work environment where people want to stay (Schein, 2010).

In the context of projects, organizational culture plays a crucial role in determining success (Nieto, 2023). A culture that supports collaboration, open communication, and a focus on quality is more likely to lead to successful project outcomes. Conversely, a culture that is resistant to change, lacks clear communication, or is overly hierarchical may hinder project success. Overall, organizational culture is a key determinant of an organization's effectiveness and success, both in its day-to-day operations and in the execution of projects.

On the other hand, the global accountancy profession is undergoing a dramatic change. The increasing integration of world's markets for goods, services and capital among countries as a result of globalization, pose a problem on companies reliance on domestic reporting standards. Consequently, for the past 50 years, local accounting and reporting standards were converging in to a single set of high quality globally accepted standards (International Financial Reporting Standards) that require transparent and comparable financial information. In doing so, International Accounting Standards Committee (IASC) was formed in 1973 by professional accounting bodies of Australia, Canada, France, Germany, Ireland, Japan, Mexico, Netherland, United Kingdom (UK) and United States of America (USA) in order to develop globally accepted accounting standards.

During its existence from 1973 to 2001, the International Accounting Standards Committee (IASC) issued 41 International Accounting Standards (IAS) as well as a framework for the preparation and presentation of financial statements. However, in the year 2001, following popular financial reporting frauds and related financial scandals (Enron, WORDCOM), International Accounting Standards Committee (IASC) restructure itself and grown into a board and renamed as the International Accounting Standards Board (IASB). Subsequent to adopting the existing 41 International Accounting Standards (IAS), the International Accounting Standards Board (IASB) continued to revise the existing IASs and developing a new Accounting Standards calling the new standards International Financial Reporting Standards (IFRS). Therefore, in total, there are 41 IAS originally issued by ISAC and 18 IFRS issued by the new IASB. To sum up, International Financial Reporting Standards (IFRSs) are accounting rules (standards) issued by the International Accounting Standards Board (IASB), an independent organization based in London, UK. They purport to be a set of rules that ideally would apply equally to financial reporting by public companies worldwide (Ball, 2006).

As it is stated above, the change in accountancy profession is largely driven by the globalization of the world economy. Besides that, the adoption of International Financial Reporting Standards (IFRSs) is wide spreading around the world. For example, domestic listed companies of about 150 nations and reporting jurisdictions permit or require IFRS, although 90 countries have fully confirmed with IFRS as promulgated by the International Accounting Standards Board (IASB)

(IFRS Foundation, 2021). In addition, according to IFRS Foundation 2016 reports, in Africa, there are about twenty countries out of the fifty three countries in the continent that adopt IFRS.

When we came to Ethiopia, as a country with no nationally developed accounting standards before, the country was in a desperate need of accounting and reporting standards. Therefore, On December 5th 2014, the Ethiopian Parliament passed Proclamation No. 847, 2014 Financial Reporting Proclamation. The proclamation officially adopted IFRS as a legal financial reporting basis in Ethiopia. Pursuant to this proclamation, the Council of Ministers issued Regulation No. 332/2014 on 14th January 2015 and established the Accounting and Auditing Board of Ethiopia (AABE) as a regulator of the accountancy practice and education in Ethiopia. Following its establishment, AABE issued a 5-year strategic plan on November 1, 2015 in which it communicated IFRS implementation road map. In its original road map, the first sets of IFRS based financial statements are required to be produced by Significant Public Interest Entities on June 30, 2018 and Other Public Interest Entities, on June 30, 2019. In addition, the first sets of IFRS for SMEs based financial statements were planned to be prepared by Small and Medium Sized Entities on June 30, 2020 and onwards. However, due to the nation political instability and COVID 19 outbreak, AABE extended its IFRS Implementation road map up until 2024.

With regard to the study, despite the recognized importance of organizational culture, limited research has been conducted to specifically examine its impact on IFRS first-time adoption projects in Private Companies in Ethiopia. Therefore, this study tried to fill this gap in the literature by investigating the effect of organizational culture on the success of IFRS first-time adoption projects in Private Companies in Ethiopia.

1.2 Statement of the Problem

Today, projects are critical for enterprises to thrive in this complex business environment. But, according to PwC's report, where it reviewed more than 10,000 projects in 200 companies across the globe, only 2.5% of the enterprises successfully completed 100% of their projects. It is seriously low percentage considering in today's times how enterprises are trying to bag business critical projects and build a sustainable growth over a period. There are many reasons why projects fail, but one of the major reasons is organizational culture.

In addition, with regard to IFRS first time adoption projects, several studies have indicated that the failure rate is significant. The rate of failure can vary widely depending on the region, industry, and individual circumstances of each organization. For example, a study published in the *International Journal of Business and Management* estimated the failure rate of IFRS adoption projects to be around 25% to 50% (Fera, 2016). Unofficial data from Accounting and Auditing Board of Ethiopia (AABE) is also states that most IFRS first time adoption projects are completed out of the original schedule and exhibit technical deficiencies due to lack of understanding of IFRS requirements, lack of trained professionals, resource constraints, and insufficient planning and poor implementation strategies those leads to delays, errors, and ultimately project failure. These figures suggest that IFRS first-time adoption projects can be challenging, and a significant number of organizations may struggle to successfully implement the standards.

When we came to the particular issue of this study, organizational culture and project management are two closely related concepts that play a significant role in the success of any project. Organizational culture refers to the values, beliefs, attitudes, and behaviors shared among an organization's members. Project management, on the other hand, refers to planning, organizing, and managing resources to achieve specific goals and objectives within a specified time frame. The relationship between organizational culture and project management is significant because the success of a project is heavily influenced by the organization's culture in which it is being executed (Nieto, 2023). Accordingly, organizational culture can either support or hinder the success of projects, particularly IFRS first time adoption projects.

When we come to the relevance of this study, despite the recognized importance of organizational culture, limited research has been conducted to specifically examine its impact on IFRS first-time adoption projects in private companies in Ethiopia. On the one hand, organizational culture studies are primarily focused on its impact on employee's commitment, motivation, creativity and overall organizational performance. On the other hand, most studies related to IFRS adoption projects have focused on the technical aspects of IFRS adoption, such as the accounting treatments and reporting requirements, overlooking the role of organizational culture in shaping the outcomes of IFRS projects.

Therefore, this study tried to fill this gap in the literature by investigating the effect of organizational culture on the success of IFRS first-time adoption projects in Private Companies in Ethiopia. By understanding how organizational culture influences the implementation of IFRS, this study aims to provide insights that can help organizations and policymakers in Ethiopia develop strategies to enhance the effectiveness of IFRS adoption and improve financial reporting practices.

1.3 Research Questions

This study attempted to answer the following specific research questions;

- 1) What is the effect of clan culture (i.e., collaboration and employee development) on the success of IFRS first time adoption projects in Private Companies in Ethiopia?
- 2) What is the effect of hierarchy culture (i.e., stability and control) on the success of IFRS first time adoption projects in Private Companies in Ethiopia?
- 3) What is the effect of market culture (i.e., competition and result orientation) on the success of IFRS first time adoption projects in Private Companies in Ethiopia?
- 4) What is the effect of adhocracy culture (i.e., innovation and risk-taking) on the success of IFRS first time adoption projects in Private Companies in Ethiopia?

1.4 Objectives of the Study

1.4.1 General Objective

General objective of the study is to assess the effect of organizational culture on IFRS First Time Adoption Projects: The Case of Private Companies in Ethiopia.

1.4.2 Specific Objectives

Specific objectives of the study include;

- 1) To examine the effect of Clan Culture (i.e., collaboration and employee development) on the success of IFRS first time adoption projects in Private Companies in Ethiopia.
- 2) To examine the effect of Hierarchy Culture (i.e., stability and control) on the success of IFRS first time adoption projects in Private Companies in Ethiopia.

- 3) To examine the effect of Market Culture (i.e., competition and result orientation) on the success of IFRS first time adoption projects in Private Companies in Ethiopia.
- 4) To examine the effect of Adhocracy Culture (i.e., innovation and risk-taking) on the success of IFRS first time adoption projects in Private Companies in Ethiopia.

1.5 Significance of the Study

The study is intended to assess the effect of organizational culture on IFRS First Time Adoption Projects: The Case of Private Companies in Ethiopia.

Therefore, because of its area of concern, the study has significance both for project management professionals and accounting practitioners as well as for the academics. Furthermore, the study believed to highlight the importance of sound organizational culture on projects success. Consequently, companies involved in various types of projects and change management practices could learn from the results of the study. Furthermore, the study might contribute to the existing literatures on the role of organizational culture on the success of change initiatives and projects. In addition, the study will contribute towards the advancement of empirical knowledge and serves as a preliminary basis and reference material for future studies.

1.6 Scope and Limitations of the Study

The aim of the study is to assess the effect of organizational culture on IFRS First Time Adoption Projects in the case of private companies in Ethiopia. Therefore, the scope of the study is only the role of organizational culture variables on projects success. In addition, the study will consider only private profit making companies in Ethiopia those already adopted IFRS as their financial reporting basis excluding financial institutions. Furthermore, the study primarily focused on the project management aspect of IFRS implementation.

On the other hand, with regard to limitations of the study, lack of adequate empirical evidences in Ethiopian context which enable to support the study finding was one of the limitations of this study. Secondly, lack of willingness of companies to participate in academic researchers was a big challenge for the researcher. Finally, as it is an academic research and expected to be completed within the academic calendar of the institution, lack of adequate time for data collection and analysis was one of the limitations.

1.7 Definition of Terms

Culture: - is the learned and shared way of thinking and acting in a society or among a collection of people.

Organizational Culture: - refers to the underlying beliefs, attitudes, values, and behaviors that contribute to the unique social and psychological environment of a company or organization.

Clan Culture: - is a specific type of organizational culture where there's a strong emphasis on collaboration and a family-like atmosphere.

Adhocracy Culture: - is a work environment characterized by flexibility, innovation, and decentralized decision-making.

Market Culture: - is a highly competitive organizational environment, prioritizing results and achieving financial success.

Hierarchy Culture: - is an organizational environment structured by clear lines of authority and well-defined chains of command.

Project Management: - is the process of applying knowledge, skills, tools and techniques to activities to achieve specific project goals within agreed parameters.

International Financial Reporting Standards (IFRS): - is a set of accounting rules developed by the International Accounting Standards Board (IASB) to achieve consistent, transparent, and globally comparable financial statements for public companies.

IFRS First Time Adoption Project: - it refers to the process a company goes through when it switches from its local accounting standards to International Financial Reporting Standards (IFRS) for the first time.

1.8 Organization of the Study

This study paper is organized in five chapters. The first chapter deals with the general background of the study, statement of the problem, research questions, objectives, significance of the study, scope and limitation of the study, and definition of terms. The second chapter addresses the detailed review of theoretical and empirical literatures, and states conceptual framework of the study. The third chapter presents the detail of methodology used in the study such as research design, population and sampling techniques. Then, the fourth chapter dedicated to the detail analysis and interpretation of the data collected for the study. Finally, the summary of findings, the conclusions and recommendations are discussed in chapter five.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 Introduction

The purpose of the study is assessment of the effect of organizational culture on IFRS First Time Adoption Projects in the case of Private Companies in Ethiopia. Accordingly, in this section, theoretical and empirical literatures on the role of organizational culture on project management in general and the effect of organizational culture on IFRS first time adoption projects in particular is reviewed. In addition, conceptual framework of the study which explains the relationship between dependent and independent variables of the study is discussed.

2.2 Theoretical Literature Review

2.2.1 Meaning and Importance of Organizational Culture

Meaning of Organizational Culture

Organizational culture is a concept that has been studied extensively in the fields of organizational behavior and management. It refers to the shared values, beliefs, norms, and practices that shape the behavior of individuals within an organization (Schein, 2010). Organizational culture is often described as the "glue" that holds an organization together, providing a sense of identity and unity among its members (Cameron & Quinn, 2011).

One of the key functions of organizational culture is to provide a sense of direction and purpose for employees. By defining what is important and how things are done within the organization, culture helps to align the efforts of individuals towards common goals (Schein, 2010). This can lead to higher levels of employee engagement and commitment, which are important drivers of organizational performance (Denison, 1990).

Organizational culture also plays a crucial role in shaping how employees interact with each other and with external stakeholders. A strong culture can foster a sense of trust and cooperation among employees, leading to more effective teamwork and collaboration (Cameron & Quinn, 2011). Additionally, culture can influence how employees respond to change and uncertainty,

with a strong culture providing a sense of stability and resilience during times of upheaval (Schein, 2010).

Furthermore, organizational culture can have a significant impact on organizational performance. Research has shown that organizations with strong, positive cultures tend to outperform their competitors in terms of financial performance, employee satisfaction, and innovation (Kotter & Heskett, 1992). This is because a strong culture can provide a competitive advantage by enabling organizations to attract and retain top talent, adapt to changing market conditions, and differentiate themselves from competitors (Denison, 1990).

In conclusion, organizational culture is a complex and multifaceted concept that plays a central role in shaping the behavior and performance of organizations. By understanding and managing their culture, organizations can create a more cohesive and effective work environment, leading to improved performance and competitive advantage.

Models of Organizational Culture

There are different models of organizational culture introduced by different scholars. The most popular models of organizational culture are discussed below with greater emphasis on Cameron and Quinn's Competing Values Framework model.

a) Schein's Model of Organizational Culture

One of the most widely recognized models of organizational culture is Schein's model, which identifies three levels of organizational culture: artifacts, espoused values, and basic underlying assumptions (Schein, 2010). Artifacts are the visible elements of culture, such as dress code and office layout. Espoused values are the stated beliefs and values of an organization, while basic underlying assumptions are the unconscious beliefs, perceptions, and thoughts that shape behavior. This model is useful for identifying potential cultural clashes during mergers or for analyzing the underlying reasons behind specific organizational behaviors.

b) Hofstede's Cultural Dimensions Theory

Hofstede's cultural dimensions theory proposes six dimensions of national culture: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, long-term vs. short-term orientation, and indulgence vs. restraint (Hofstede, 2001). This model helps in understanding how cultural differences might influence communication, decision-making, and leadership styles within organizations operating globally.

c) Denison's Model of Organizational Culture

Denison's model of organizational culture identifies four cultural traits: involvement, consistency, adaptability, and mission (Denison, 1990). Involvement refers to the degree to which employees are engaged in decision-making, consistency refers to the degree of alignment between espoused values and actual behavior, adaptability refers to the organization's ability to respond to change, and mission refers to the clarity and consistency of organizational goals.

d) The GLOBE Model

The GLOBE (Global Leadership and Organizational Behavior Effectiveness) organizational culture model is a comprehensive framework developed by Robert J. House and his colleagues to understand cultural influences on organizational practices and outcomes. This model emphasizes the importance of cultural values in shaping organizational behavior and performance. According to Javidan et al. (2006), the GLOBE model identifies nine cultural dimensions, including performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, power distance, uncertainty avoidance, and gender egalitarianism. These dimensions provide a nuanced understanding of how cultural values impact various aspects of organizational functioning. The GLOBE model is crucial for organizations operating in diverse cultural contexts as it helps in developing strategies that align with local cultural values, thus enhancing organizational effectiveness and success.

e) Cameron and Quinn's Competing Values Framework

Cameron and Quinn's Competing Values Framework identifies four types of organizational culture: clan, adhocracy, market, and hierarchy (Cameron & Quinn, 2011). Clan culture is characterized by a focus on collaboration and employee development, adhocracy culture emphasizes innovation and risk-taking, market culture focuses on competition and results, and hierarchy culture emphasizes stability and control. This framework is useful for analyzing an organization's cultural type to predict its potential response to change initiatives, risk-taking, and innovation. The following graph shows Cameron and Robert Quinn (2011) Organizational Culture Typology first introduced in 1999 and further elaborated in 2011.

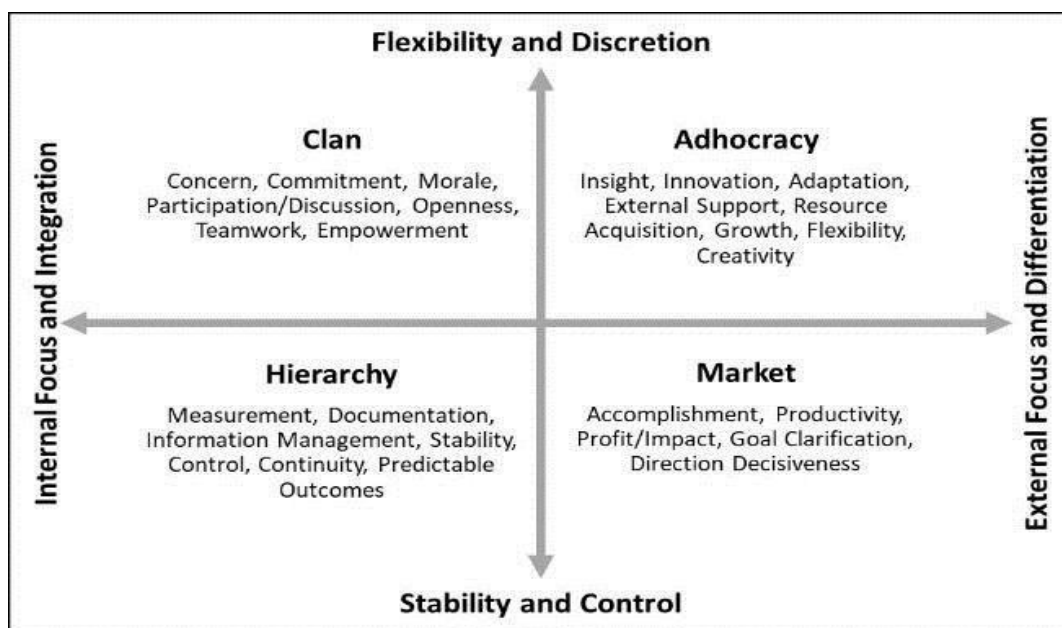


Figure 1: The Competing Values Framework of Cameron and Quinn (2011)

Cameron and Quinn (2011) wrote the Competing Values Framework (CVF) for cultural assessment and classified culture into two dimensions that is horizontal (internal and external focus) and vertical (flexible and stable) dimensions. Based on these two dimensions, Cameron and Robert Quinn (2011) further classified culture as clan, adhocracy, hierarchy and market culture.

- **Clan:** The Clan organization has fewer focuses on structure and control and a greater concern for flexibility. Rather than rules and procedures, people are motivated through vision, shared goals, outputs and outcomes. Contrary to Hierarchies, clans have flat organizations and employees individually and as a team act more autonomously.
- **Adhocracy:** The adhocracy has better adaptability than the clan, which is fundamental in a quickly changing working environment. It will use prototyping and investigating rather than long, big-bang projects and development. The management in an adhocracy culture is visionary and innovative who take risks to make substantial achievements.
- **Hierarchy:** The hierarchy has an outdated approach to structure and control that flows from a strong chain of command. This was considered for years as the only actual way of organizing and still it is a basic element of the majority of organizations. Hierarchies have respect for position and power. They have strong policies, processes, guidelines, laws and procedures.
- **Market:** In a result-oriented organization, whose key concern is getting the work done, people in these organizations are competitive and goal oriented. The management is hard driver and stick to producers and competitors are tough and demanding. Success is measured in terms of market share and penetration.

Furthermore, Organizational Culture Assessment Instrument is introduced by Cameron and Quinn (2011) and used to assess the organizational culture by using six key dimensions where each dimensions represent the four types of organizational cultures (clan, adhocracy, hierarchy and market). The six dimensions are:

- 1) **Dominant Characteristics** - the degree of collaboration and sense of belongingness, level of inventiveness and dynamism, center on objectives and competition, dependence upon frameworks and accentuation on productivity.
- 2) **Organizational Leadership** - leadership style and approach that permeates the organization. The management here is supporter, organizer, innovator, producer, director and coordinator.
- 3) **Management of Employees** - How employees are treated, degree of consultation, participation and consensus.

- 4) **Organizational Glue** – holding instruments that hold the organization together such as cohesion and collaboration, dependability and commitment, enterprise and adaptability, rules and approaches, objective introduction and competitiveness.
- 5) **Strategic Emphasis** - organizational strategy drivers, concerned with sustainable development of human resources, the emphasis given here are for issues like competitive advantage, stability and accomplishment of goals.
- 6) **Criteria for Success** – how is success characterized and who gets compensated benefits, showcase share and market penetration, affectability to clients and concern for individuals, improvement of unused items and administrations, constancy and ideal fetched.

To conclude, all the above models provide valuable frameworks for understanding and analyzing organizational culture. By identifying the key dimensions of culture, organizations can better understand their own culture and how it influences their behavior and practices.

Role of Organizational Culture in Projects Success

Organizational culture is a critical factor that can significantly influence the success of projects within an organization. Organizational culture refers to the shared values, beliefs, norms, and practices that guide the behavior of individuals within an organization (Schein, 2010). It is often described as the "personality" of an organization, shaping how employees interact with each other and with external stakeholders (Cameron & Quinn, 2011).

One of the key ways in which organizational culture influences project success is through its impact on employee behavior. When employees share a common set of values and beliefs, they are more likely to collaborate effectively, communicate openly, and work towards common goals (Schein, 2010). This can lead to higher levels of team cohesion and motivation, which are essential for project success (Pinto & Prescott, 2018).

Additionally, organizational culture can influence how projects are planned, executed, and monitored. For example, in organizations with a strong emphasis on innovation and risk-taking, project teams may be more likely to experiment with new ideas and approaches, leading to more creative solutions (Denison, 1996). On the other hand, in organizations that prioritize stability

and predictability, projects may be more closely managed and controlled, with an emphasis on following established procedures and protocols (Pinto & Prescott, 2018).

Furthermore, organizational culture can also impact how project success is defined and measured. In some organizations, success may be primarily based on financial metrics, such as cost savings or revenue generation, while in others, success may be defined more broadly to include factors such as stakeholder satisfaction, employee engagement, or social impact (Cameron & Quinn, 2011).

In conclusion, organizational culture is a critical factor that can significantly influence the success of projects within an organization. By understanding and leveraging their organizational culture, project managers can create a more conducive environment for project success.

2.2.2 Meaning of Project and Project Management

Meaning of Project

A project is commonly defined as a temporary endeavor undertaken to create a unique product, service, or result (Project Management Institute, 2017). The United States Project Management Institute also define project as a one shot, time limited, goal directed, major undertaking, requiring the commitment of varied skills and resources. In addition, a project is a temporary organisation, either as a freestanding entity or as an integrated component of a programme, set up to produce something or manage a particular change.

Projects are characterized by their distinct goals, specific timelines, and finite resources (Kerzner, 2017). According to Turner (2014) projects are different from ongoing operations in organizations and are typically designed to achieve specific objectives within a defined scope. 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.

Meaning of Project Management

On the other hand, project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements (Project Management Institute, 2017). It involves planning, executing, monitoring, controlling, and closing activities to achieve project goals (Kerzner, 2017). Project management aims to achieve project success by balancing competing demands such as scope, time, cost, quality, resources, and risks (Turner, 2014).

To be specific, according to PMBOK guide, Project Management is accomplished through the appropriate application and integration of the 47 logically grouped project management processes, which are categorized under 10 knowledge areas as well as five Process Groups of Initiating, Planning, Executing, Monitoring and Controlling, and Closing (Project Management Body of Knowledge, 2013). The following table shows list of project management process groups as identified by PMI and its linkage with the 10 project management knowledge areas.

Table 1. PMBOK link of Knowledge Areas and Project Process Groups

Knowledge Areas	Project Management Process Groups				
	Initiating	Planning	Executing	Monitoring & Controlling	Closing
1. Integration	→Develop Project Charter	→Develop Project Management Plan	→Direct and Manage Project Work	→Monitor and Control Project Work →Perform Integrated Change Control	→Close Project or Phase
2. Scope		→Plan Scope Management →Collect Requirements →Define Scope →Create WBS		→Validate Scope →Control Scope	
3. Time		→Plan Schedule Management →Define Activities →Sequence Activities →Estimate Activity Resources →Estimate Activity Durations →Develop Schedule		→Control Schedule	
4. Cost		→Plan Cost Management →Estimate Costs →Determine Budget		→Control Costs	
5. Quality		→Plan Quality Management	→Perform Quality Assurance	→Control Quality	
6. Human Resource		→Plan Human Resource Management	→Acquire Project Team →Develop Project Team →Manage Project Team		
7. Communication		→Plan Communications Management	→Manage Communications	→Control Communications	
8. Risk		→Plan Risk Management →Identify Risks →Perform Qualitative Risk Analysis →Perform Quantitative Risk Analysis →Plan Risk Responses		→Control Risks	
9. Procurement		→Plan Procurement Management	→Conduct Procurements	→Control Procurements	→Close Procurements
10. Stakeholders	→Identify Stakeholders	→Plan Stakeholder Management	→Manage Stakeholder Engagement	→Control Stakeholder Engagement	

Source: PMBOK Guide 2013

2.2.3 Meaning of IFRS and its First Time Adoption Projects

Meaning of IFRS

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by the International Accounting Standards Board (IASB) to provide a common global framework for the preparation of financial statements. IFRS are designed to ensure that financial reporting is transparent, comparable, and reliable across different jurisdictions (IASB, 2021).

One of the key features of IFRS is their principle-based approach, which means that the standards are based on a set of broad principles rather than specific rules. This allows for more flexibility in the application of the standards, as companies can adapt them to suit their particular circumstances. IFRS are used by companies in many countries around the world, either as the primary basis for financial reporting or as a basis for convergence with national accounting standards. The adoption of IFRS is seen as a way to improve the quality and consistency of financial reporting, as well as to enhance the comparability of financial statements across different companies and industries (IASB, 2021).

Furthermore, IFRS are also designed to meet the needs of users of financial statements, such as investors, creditors, and other stakeholders. By providing relevant and reliable information, IFRS are intended to help users make informed decisions about the allocation of resources. In conclusion, IFRS are a set of accounting standards that are designed to improve the quality, comparability, and transparency of financial reporting. By providing a common global framework, IFRS are intended to enhance the efficiency and effectiveness of capital markets, ultimately benefiting investors and other stakeholders.

Meaning of IFRS First Time Adoption Projects

IFRS first-time adoption projects refer to the process by which an entity transitions from its previous accounting standards to International Financial Reporting Standards (IFRS) for the first time. This project is guided by IFRS 1, which sets out the requirements for preparing and presenting an opening IFRS statement of financial position, restating comparative information, and providing additional disclosures (IFRS Foundation, 2021).

One of the key challenges in first-time adoption projects is the need to reconcile differences between the entity's previous accounting standards and IFRS. These differences can arise due to differences in recognition, measurement, or disclosure requirements between the two sets of standards (IFRS Foundation, 2021).

Another important aspect of first-time adoption projects is the need to assess the impact of adopting IFRS on the entity's financial statements and financial performance. This assessment involves identifying and quantifying the effects of transitioning to IFRS, including changes in accounting policies, estimates, and judgments (IFRS Foundation, 2021).

Furthermore, first-time adoption projects also require careful planning and coordination to ensure a smooth transition to IFRS. This includes developing a detailed implementation plan, establishing a project team with the necessary expertise, and providing training and support to employees (IFRS Foundation, 2021).

In conclusion, IFRS first-time adoption projects are complex undertakings that require careful planning, coordination, and assessment. By following the requirements set out in IFRS 1 and implementing best practices, entities can ensure a successful transition to IFRS and improve the quality and comparability of their financial reporting.

IFRS First Time Adoption Project Management Models

The adoption of International Financial Reporting Standards (IFRS) for the first time represents a significant challenge for organizations, requiring careful planning, coordination, and execution. Several management models and frameworks have been proposed to guide organizations through the process of first-time adoption of IFRS.

One such model is the "IFRS Conversion Model" proposed by Deumes and Kuhner (2014). This model consists of five phases: (1) project initiation, (2) project planning, (3) implementation, (4) review, and (5) monitoring. The model emphasizes the importance of stakeholder involvement, project planning, and continuous monitoring to ensure a successful adoption process.

Another model is the "IFRS Transition and Adoption Model" proposed by Godfrey et al. (2010). This model consists of four stages: (1) assessment of the impact of IFRS, (2) planning for the

transition, (3) implementation of the transition plan, and (4) monitoring and evaluation. The model emphasizes the need for thorough assessment, planning, and monitoring to ensure a smooth transition to IFRS.

Additionally, most renowned accounting firms i.e., Deloitte and Earnest & Young used "IFRS Implementation Framework" that provides a comprehensive framework for managing the first-time adoption of IFRS. The framework consists of five components: (1) project governance, (2) project management, (3) technical accounting, (4) data conversion, and (5) communication and training. The framework emphasizes the importance of governance, project management, and technical expertise in managing the adoption process.

In conclusion, several management models and frameworks have been proposed to guide organizations through the process of first-time adoption of IFRS. These models emphasize the importance of thorough assessment, planning, and monitoring to ensure a successful adoption process.

The following graph shows standard time line of IFRS first time adoption projects.

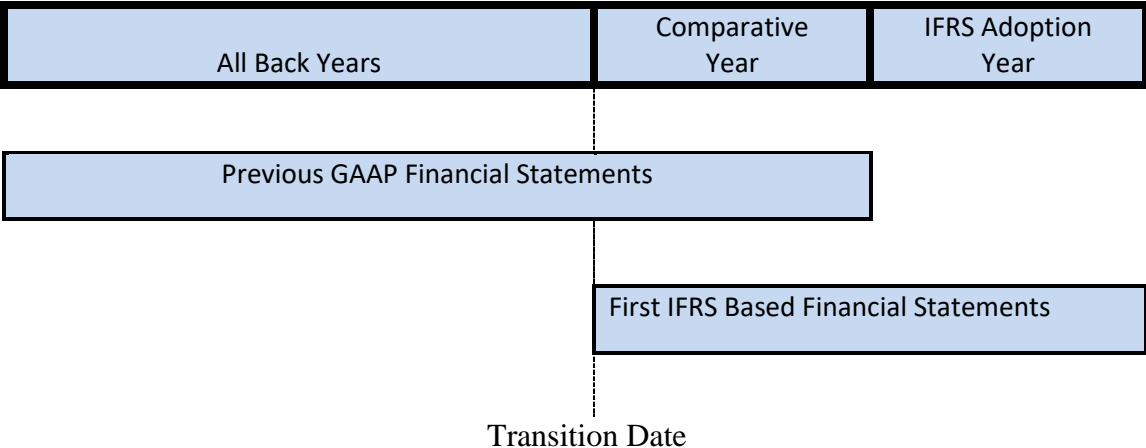


Figure 2 : Financial Reporting Changes Brought by IFRS

IFRS Adoption in Ethiopia

On December 5th 2014, the Ethiopian Parliament passed Proclamation No. 847, 2014 Financial Reporting Proclamation. The proclamation officially adopted IFRS as a legal financial reporting basis in Ethiopia. In addition, the proclamation specifically requires Commercial organizations to follow International Financial Reporting Standards (IFRS) or International Financial Reporting Standards for Small and Medium Enterprises (IFRS for SME), Charities and societies to follow International Public Sector Accounting Standards (IPSAS), and Auditors to follow International Standards for Auditing (ISA).

Pursuant to this proclamation, the Council of Ministers issued Regulation No. 332/2014 on 14th January 2015 and established the Accounting and Auditing Board of Ethiopia (AABE) as a regulator of the accountancy practice and education in Ethiopia. AABE is an autonomous government organ accountable to MOFEC that is headed by the Director General and has 12-member Board of Directors.

Following its establishment, AABE issued a 5-year strategic plan on November 1, 2015 in which it communicated IFRS implementation road map. In its original road map, the first sets of IFRS based financial statements are required to be produced by Significant Public Interest Entities on June 30, 2018 and Other Public Interest Entities, on June 30, 2019. According to AABE, Significant Public Interest Entities are State Owned Commercial Enterprises and Financial Institutions like Banks, Insurance Companies and Microfinance Institutions. Other Public Interest Entities includes, private companies those meet quantitative thresholds stated by the board, and Ethiopian Commodity Exchange (ECX) member traders. In addition, the first sets of IFRS for SMEs based financial statements were planned to be prepared by Small and Medium Sized Entities on June 30, 2020 and onwards. However, due to the nation political instability and COVID 19 outbreak, AABE revised its original IFRS Implementation road map up until 2024.

2.3 Empirical Literature Review

Organizational culture plays a crucial role in the success of projects across various industries and sectors. Numerous empirical studies have highlighted the impact of organizational culture on project outcomes, team performance, and overall project success.

Research by Hofstede (2001) suggests that organizational culture influences project outcomes through its effects on communication, collaboration, and decision-making. Organizations with a strong culture of teamwork and collaboration tend to have higher project success rates (Pinto & Prescott, 2018). Additionally, a study by Joshi and Singh (2012) found that organizations with a culture that values innovation and risk-taking are more likely to achieve project success.

Organizational culture also influences team performance, which is a key determinant of project success. A study by West et al. (2014) found that organizations with a strong culture of trust and open communication have higher levels of team performance. This is because such cultures encourage team members to share information, seek feedback, and collaborate effectively.

Organizational culture can also impact the factors that contribute to project success. For example, a study by Muller and Turner (2007) found that organizations with a culture that values customer satisfaction are more likely to deliver projects on time and within budget. Similarly, a study by Belassi and Tukel (1996) found that organizations with a culture that values quality are more likely to achieve project success.

In the context of first-time adoption of International Financial Reporting Standards (IFRS), organizational culture can significantly influence the success of the adoption process. Research by Deumes and Kuhner (2014) suggests that organizations with a culture that values transparency and accountability are more likely to successfully adopt IFRS. This is because such cultures encourage employees to adhere to the new accounting standards and ensure accurate financial reporting.

On the other hand, like many other countries, Ethiopia has its own cultural values, beliefs, and norms that shape organizational behavior and practices. These cultural factors could have a significant impact on how organizations in Ethiopia approach and implement IFRS adoption

projects. However, there has been limited research that specifically examines this relationship in the Ethiopian context, especially within the context of public interest entities.

Therefore, the empirical literature gap would be the need for empirical studies that investigate the role of organizational culture in IFRS first-time adoption projects in Ethiopia, particularly focusing on public interest entities. Such studies could provide valuable insights into how organizational culture influences the success or challenges faced in adopting IFRS, and could help organizations and policymakers in Ethiopia better understand and manage the adoption process.

2.4 Research Hypotheses

The successful adoption of IFRS by private companies in Ethiopia presents a complex challenge. Cultural influences within these companies are likely to play a significant role in determining the effectiveness of the adoption process. This study explores four distinct cultural types potentially impacting IFRS adoption: clan culture, emphasizing collectivism and loyalty; hierarchy culture, valuing authority and clear structures; market culture, driven by competition and achievement; and adhocracy culture, focused on flexibility and innovation. We propose separate hypotheses for each, investigating whether these cultural aspects have a significant positive effect on the success of IFRS first-time adoption projects in Ethiopian private companies.

- 1) Clan culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia.
- 2) Hierarchy culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia.
- 3) Market culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia.
- 4) Adhocracy culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia.

2.5 Conceptual Framework

The following conceptual framework graphically represents the relationship between dependent and independent variables of the study. Thus, dependent variable of the study is successful implementation of IFRS adoption projects represented by projects completion rate, financial reporting quality and employee's satisfaction as key indicators of projects success.

Contrary, independent variables of the study are types of organizational culture as introduced by Cameron & Quinn (2011) that possibly lead to successful IFRS implementation in Ethiopia. In this regard, Clan Culture (i.e., collaboration and employee development), Hierarchy Culture (i.e., stability and control), Market Culture (i.e., competition and result orientation), and Adhocracy Culture (i.e., innovation and risk-taking) will be considered. Furthermore, Organizational Culture Assessment Instrument (OCAI) introduced by Cameron and Quinn (2011) that identifies six key dimensions is used to assess the organizational culture where each dimensions represent the four types of organizational cultures.

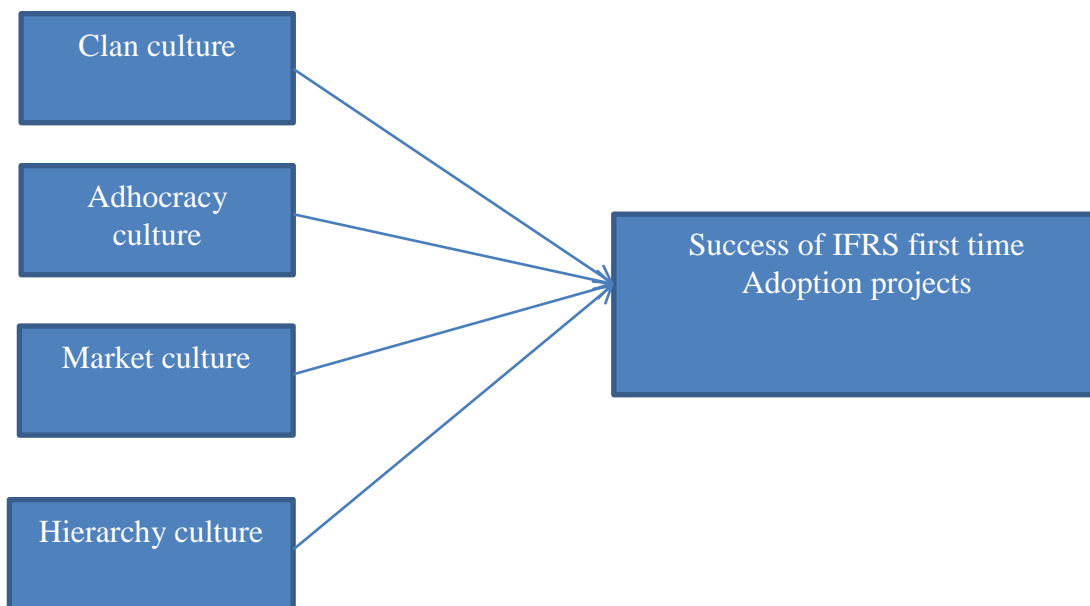


Figure 3 : Conceptual Framework

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 Introduction

This section first describe the research area which is private companies in Ethiopia those already adopt IFRS as their financial reporting basis. In addition, the research paradigm, the research approach, research design, sources and methods of data collection, sampling techniques and sample size, as well as methods of data analysis are described.

3.2 Description of the Study Area

To begin with, a Public Interest Entity (PIE) is an organization or entity whose financial performance and activities have a significant impact on the general public or serve the public interest. Accordingly, Public Interest Entities (PIE) as designated by Accounting and Auditing Board of Ethiopia (AABE) includes federal and regional public enterprises, financial institutions (banks, insurance companies, lease financing institutions, and microfinance institutions), cooperative and consumer unions, Ethiopian Commodity Exchange Member traders, and other share companies. In addition, Private Limited Companies those fulfill at least two of the four financial thresholds such as annual sales more than Birr 300 million, total asset more than Birr 200 million, total liability more than Birr 200 million, and number of employees more than 200 are considered as public interest entities.

Therefore, as it is unmanageable to consider all the above PIEs, the study area will be only privately owned companies in Ethiopia excluding financial sector institutions. Meaning, the study includes companies involved in trading, manufacturing, construction, service giving and agribusiness industries. In addition, the population of the study will be companies those already involved in IFRS first time adoption projects prior to January 1, 2024.

3.3 Research Paradigm

It is a worldview from the point of the researcher that depicts a general philosophical orientation about the world and the nature of research that a researcher brings to a study. Accordingly, the study research paradigm is pragmatist worldview where instead of extensively focusing on the

methodology, the study will be primarily emphasized on the research problem and then will use pluralistic approaches to derive knowledge about the problem.

3.4 Research Approach

Research approaches are plans and the procedures for research that span the steps from broad assumptions to detailed methods of data collection, analysis, and interpretation (Creswell, 2018). According to Creswell (2018), there are three approaches that are used in conducting a given research such as quantitative, qualitative and mixed research approach. To conduct this study, a mixed research approach is used. The rationale for using a mixed approach and combining both quantitative and qualitative data is to better understand a research problem by combining both numeric values from quantitative research and the details of qualitative data and to neutralize limitations of applying any of a single approach.

3.5 Research Design

Research designs are types of inquiry within qualitative, quantitative, and mixed methods approaches that provide specific direction for procedures in a research study. In order to achieve the primary objective of the study, the study uses mixed research design that converge a qualitative and quantitative methods. Specifically, the study uses Explanatory Sequential Mixed Method where the researcher first conducts quantitative research, analyzes the results and then builds on the results to explain them in more detail with qualitative data.

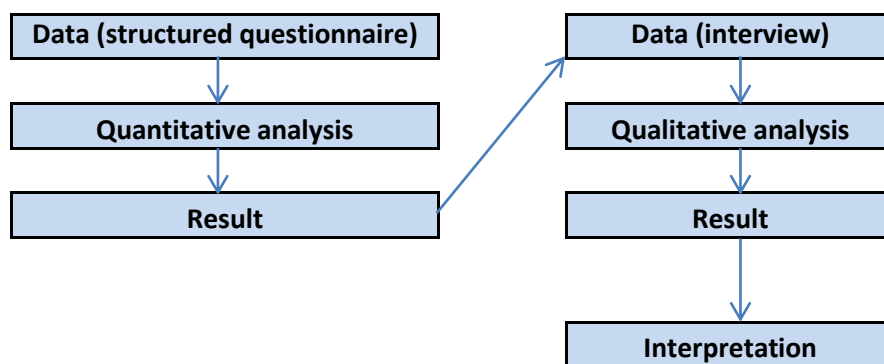


Figure 4 : Explanatory Sequential Mixed Method Design

With regard to quantitative research approach, survey research design is used and it provides a quantitative or numeric description of the attitudes or opinions of a population by studying a sample of that population. On the other hand, qualitative research design is used through in-depth and unstructured interview with the sample of the population. Employing the mix of qualitative and quantitative research methods enabled the researcher to consolidate, triangulate and cross-check the data collected, which in turn allowed formulating a holistic interpretive framework of the study. In addition, the mixed-methods approach will help to combine the conceptualization of organizational culture and its practical impact on the success of IFRS adoption projects as suggested by the pragmatic viewpoint.

3.6 Type and Source of Data

To answer the research questions and come up with appropriate findings, both primary and secondary data is used. The primary data is collected through distribution of questionnaire and then through conducting an in-depth interview with IFRS adoption team members of private companies. On the other hand, secondary data will be collected by referring published and unpublished sources of data such as books, academic studies, articles, journals, periodicals, magazines, newspapers, annual reports of the companies, proclamation and directives issued by federal government, annual plans of the regulatory bodies and various websites etc.

3.7 Sampling Design

3.7.1 Target Population of the Study

The population for a study is the group usually of organizations or people about whom we want to draw conclusions. As it is explained above, the case area of the study is privately owned companies in Ethiopia those already adopted IFRS as their financial reporting basis. Therefore, all privately owned companies except for financial institutions as well as companies those fulfill IFRS adoption requirements of the regulatory body prior to January 1, 2024 can be taken as total population of the study.

According to AABE unofficial report, there are 535 privately owned companies those have already been involved in IFRS first time adoption projects. These companies constitute 129

manufacturing companies, 270 trading companies, 55 construction companies, 39 agri-businesses and 42 service providing companies.

3.7.2 Sampling Technique

With regard to sampling technique, the sample of the study is selected employing stratified non probability sampling technique. Accordingly, companies involved in manufacturing, trading, construction, agri-businesses and service providing sectors are considered as a separate stratum. Employing stratified sampling techniques gives assurance that members from each strata of the population will be represented in the sample. Then, the study uses non probability sampling (or *convenience sampling*) in order to identify companies that is included in the survey from each strata of the population. The rationale behind using convenience sampling is that all the companies available in the population may not be willing to participate in the study.

3.7.3 Sample Size

Target population of the study is 535 companies and as 4 questionnaires are distributed for each company, total population of the study in terms of questionnaires is 2,140. As the target population is finite, the sample size of the study is determined by using Yamane (1967) formula considering 95% confidence level and thus 5% margin of error or level of precision.

Therefore the sample size (n) is the function of;

$$\frac{N}{1 + N (e^2)}$$

Where, N is number of population

e is margin of error of the population (5%)

Accordingly, the sample size (n) of the study is;

$$\frac{2,140}{1 + 2,140 (0.05^2)}$$

$$= 337 \text{ questionnaires (or 84 Companies)}$$

To sum up, as 4 questionnaires are distributed for each company, 84 companies are included in the survey study. The following table shows proportion of companies and then questionnaires distributed to each group of the population.

Table 2. Target Population and Sample Size

No.	Stratum	Population size (companies)	Population size (questionnaires)	Sample size (companies)	Sample size (questionnaires)
1	Manufacturing	129	516	$(129/535)*84= 20$	$20*4 = 80$
2	Trading	270	1,080	$(270/535)*84= 42$	$42*4 = 168$
3	Construction	55	220	$(55/535)*84= 9$	$9*4 = 36$
4	Agribusiness	39	156	$(39/535)*84= 6$	$6*4 = 24$
5	Service	42	168	$(42/535)*84= 7$	$7*4 = 28$
	Total	535	2,140	84	336

3.8 Interviews

In order to elaborate and cross check the findings of the survey study, the researcher has conducted an interview with one management personnel from each industries of the population who possessed extensive understanding of the sector organizational culture. The interview questions have been primarily concerned on the type of dominant organizational culture exhibited in each industry. In addition, the successes of IFRS adoption projects are discussed.

3.9 Methods of Data Analysis

As explained in the preceding part, the study is designed in mixed research design. To this end, both qualitative and quantitative analysis techniques are used to reach in sound conclusions. Accordingly, data that are collected through questionnaire are analyzed using descriptive and inferential statistics. Statistical Package for the Social Scientists (SPSS) software is used to run the survey data and came up with descriptive and inferential statistics results.

The descriptive statistics results help to describe the center (mean), percentage, frequency and standard deviation of the data obtained from the questionnaires. Correlation between each dependent and independent variables of the study are also examined. In addition, multiple linear regression method that helps to analyze the relationship between dependent and independent variables is employed. Furthermore, data that is obtained through conducting in-depth interview with IFRS adoption team leaders of each sectors of the population is used to support the quantitative analysis results.

3.10 Ethical Consideration

The researcher takes in to account various ethical issues in every aspect of the study. First of all, participants of the survey are asked to freely choose whether to participate in the study and understand what they're consenting to. Then, in order to maintain anonymity and confidentiality, participants are asked to not stating their name on the question papers. In addition, respondents are guaranteed that the information they provide is confidential and used only for academic purpose. Secondly, with regard to data analysis and interpretation, the researcher does not involve in manipulation of data and fabrication of SPSS outputs in order to support predetermined results or any other goal. The research findings are accurately and objectively reported even if they don't align with initial expectations. Finally, with regard to secondary documents consumed in the study, the researcher gives credit to all sources of information used in the study, avoiding any form of plagiarism.

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Introduction

In this chapter, we delve into the analysis of the research findings gathered from the questionnaire data, employing both descriptive and inferential statistics. Our primary aim is to evaluate the relationship between organizational culture and the success of IFRS first time adoption projects, pinpointing the organizational culture dimensions that wield significant influence on IFRS project success within the context of private companies in Ethiopia those adopt IFRS as their financial reporting basis.

Alongside providing descriptive statistics concerning demographic information and study variables, we utilize Pearson correlation and multiple regression analysis. In addition, the resultant tables encapsulate the summarized responses, facilitating a comprehensive understanding of the study outcomes.

4.2 Response Rate

The researcher distributed 336 questionnaires, out of which 228 is in electronic form and the remaining 108 via printed forms. Then, out of 228 emails, no response is obtained from 68 questionnaires sent in electric forms. In addition, prior to commencing statistical analysis, thorough data scrutiny has been followed in order to ensure completeness of filled printed questionnaires. Consequently, 12 incomplete questionnaires in printed forms were discounted, leaving a robust dataset of 256 responses consumed for this study, reflecting an notable return rate of 76%.

Table 3. Response Rate

	Total Questionnaires Distributed	Questionnaires Returned	Questionnaires Rejected	Response Rate
Electronic form	228	160	68	70%
Printed form	108	96	12	89%
	336	256	80	76%

Source: Own Survey data (2024)

4.3 Descriptive Analysis on Demographic Characteristics of Respondents

In this section, we outline the demographic profiles of the study participants, encompassing variables such as age, gender, level of education, work experience, and employment group. The objective of conducting this demographic analysis is to provide a comprehensive overview of companies included in the study, to enhance the depth of analysis, to provide contextual understanding, and to improve the generalizability of findings. By presenting these findings in tabular format below, we aim to enrich the subsequent analysis with contextual relevance and depth.

Table 4. Demographic Characteristics

Demographic Characteristics			
Group	Variable	Frequency	Percent
Age	18-25	0	0
	26-35	108	42%
	36-45	108	42%
	46 and above	40	16%
	TOTAL	256	100 %
Gender	Male	115	45 %
	Female	141	55 %
	TOTAL	256	100 %
Level of Education	College diploma/Level IV Certificate	0	0
	Bachelor degree	172	67%
	Second degree (MA/MSC/MBA)	84	33%
	PHD	0	0
	TOTAL	256	100 %
Work Experience	1-3	12	5 %
	3-5	90	35 %
	6-10	83	32 %
	10 and above	71	28 %
	TOTAL	256	100
Employment Group	Management	49	19 %
	IFRS Team Members	182	71 %
	Others	25	10 %
	TOTAL	256	100 %

Source: Own Survey data (2024)

As shown in the above table, out of the total 256 respondents, 115 (45%) of the respondents were male and the remaining 141 (55%) of the respondents were female. This indicates that all gender groups are properly represented in the study.

When we summarize age of the respondents, 108 (42%) of them were between 26-35 years of age, 108 (42%) of them were between 36-45 years and the remaining 40 (16%) of them were at the age of 46 and above. There are no respondents at the age of 18 to 25 years. It indicates that only matured respondents at the age of 26 and above are included in the study.

Regarding Level of Education of the respondents, most of the respondents i.e. 172 (67%) were university graduates with Bachelor degree, and the remaining 84 (33%) of them were Second Degree holders (i.e. MA/MS/MBA). It indicates that all the respondents of the survey are highly educated university graduates.

When we came to the year of service of respondents, 12 (5%) of the respondents served the organization between 1 Year to 3 Years, 90 (35%) of the respondents served their respective organization between 3 Years to 5 Years, 83 (32%) of the respondents served the organization between 6 Years to 10 Years and the rest 71 (28%) of the respondents served their respective organization for more than 10 Years. In General, 60% of the respondents were employees who served their respective organizations for more than 5 years.

Furthermore, majority of the respondents i.e. 182 (71%) were IFRS adoption team members, 49 (19%) of the respondents were management position holders, and the remaining 25 (10%) of the respondents were other employees.

To summarize, more than half of the respondents were female employees and all of the respondents are above the age of 25. On the other hand, all the respondents of the survey are highly educated university graduates, and most of the respondents were employees who served their respective organizations for more than 5 years. In addition, more than 70% of the respondents are IFRS adoption team members those directly involved in IFRS adoption projects.

4.4 Descriptive Analysis of Organizational Culture Measures

In order to understand the type of organizational culture where companies included in the study are primarily belongs to (i.e. clan, adhocracy, market and hierarchy culture), the researcher has considered six cultural dimensions such as dominant characteristics, organizational leadership, management of employees, organizational glue, strategic empathy and criteria of success. Accordingly, descriptive analyses of each organizational culture dimensions are discussed below. The analysis includes frequency, percentage, mean and standard deviation of each dimension using 5 - point Likert scale. The 5- point with their respective numeric value represents 1: Strongly Disagree; 2: Disagree; 3: Neither Agree nor Disagree; 4: Agree; and 5: Strongly Agree.

Thus, the mean indicates to what extent the sample group on average agrees or disagrees with the different statements and the lower the mean represent the more the respondents disagree with the statements. Contrary, the higher the mean represents, the more the respondents agree with the statement. In addition, the bench mark for the descriptive analysis of this study is a mean score of 3. Meaning, the midpoint indicates indifference, a mean score below 3 indicates lower agreement, a mean score above 3 and below 4 indicates moderate (medium) agreement, and a mean score of 4 or above indicates strong agreement.

4.4.1 Dominant Characteristics

In this section, the response on dominant characteristics of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of questions that represent the four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 5. Descriptive Analysis of Dominant Characteristics

Dominant Characteristics									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
Our company is exceptionally a private place. It is like a big family. Individuals share numerous things at work	number	8	45	54	79	70	256	3.62	1.152
	%ge	3%	18%	21%	31%	27%	100%		
Our company is a very dynamic working environment. workers are eager to take risk	number	4	21	74	141	16	256	3.56	0.795
	%ge	2%	8%	29%	55%	6%	100%		
Our company focuses on outcomes. Workers are exceptionally competitive and eager for accomplishment.	number	0	4	29	197	26	256	3.96	0.526
	%ge	0	2%	11%	77%	10%	100%		
Our company is a very ordered and structured place. Processes, strategies, rules and policies govern what people do.	number	0	16	19	147	74	256	4.09	0.779
	%ge	0	6%	7%	58%	29%	100%		
Group mean score and standard deviation								3.81	0.813

Table 5 shows reaction of respondents on questions related to dominant characteristics of privately owned companies those already adopted IFRS. Accordingly, as the highest mean of 4.09 represents, hierarchy culture is the dominant organizational culture of companies included in the study. Meaning, most of the companies included in the study are a very ordered and structured working places. In addition, rules and policies are primary tools of governing how employees act in their respective organizations. In addition, market culture is the second dominant organizational culture in privately owned companies. As a mean of 3.92 represents, workers are to some extent competitive and eager for accomplishments.

On the other hand, though mean value of all the questions are above average, clan culture and then adhocracy culture are the least dominant characteristics of companies included in the study. Meaning, to some extent, some of companies included in the study act like a family and individuals share numerous things at work. In addition, there is a least likely agreement on the dynamism of working environment within companies included in the study.

4.4.2 Organizational Leadership

In this section, the response on organizational leadership of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of four questions that represent four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 6. Descriptive Analysis of Organizational Leadership

Organizational Leadership									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
The leadership of our company is for the most part considered to embody mentoring, encouraging or supporting	number	4	15	47	159	31	256	3.77	0.794
	%ge	2%	6%	18%	62%	12%	100%		
The leadership of our company is for the most part considered to embody innovation or risk taking	number	4	43	80	102	27	256	3.41	0.941
	%ge	2%	17%	31%	40%	10%	100%		
The leadership of our company is for the most part considered to embody results-orientated focus	number	0	8	52	173	23	256	3.82	0.623
	%ge	0	3%	20%	68%	9%	100%		
The leadership of our company is for the most part considered to embody organizing, managing, or smoothly running effectiveness.	number	4	20	11	186	35	256	3.89	0.789
	%ge	2%	8%	4%	72%	14%	100%		
Group mean score and standard deviation								3.72	0.787

Table 6 shows reaction of respondents on questions related to organizational leadership of privately owned companies those already adopted IFRS. Accordingly, as the highest mean of 3.89 represents, hierarchy culture is the preferred way of organizational leadership within companies included in the study. It is to say that the leadership of companies included in the study is for the most part considered to embody organizing, managing, and smoothly running tasks. In addition, market culture is the second preferred way of organizational leadership within companies included in the study. As a mean of 3.82 represents, the leadership of companies included in the study is for the most part considered to embody result-orientated focus.

On the other hand, though mean value of all the questions are above average, clan culture and then adhocracy culture are the least organizational leadership culture of companies included in the study. Meaning, to some extent, leadership culture of some of companies included in the study embodies mentoring, encouraging and supporting. In addition, there is a least likely agreement that the leadership of companies included in the study embodies innovation or risk taking.

4.4.3 Management of Employees

In this section, the response on management of employees of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of four questions that represent four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 7. Descriptive Analysis of Management of Employees

Management of employees									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
The management system with in our company is characterized by teamwork, consensus and participation	number	4	49	29	116	18	256	3.68	1.073
	%ge	2%	19%	41%	15%	23%	100%		
The management system with in our company is characterized by risk taking, autonomy and exceptionality	number	4	31	63	151	7	256	3.49	0.802
	%ge	2%	12%	24%	59%	3%	100%		
The management system with in our company is characterized by competition and job accomplishment	number	4	12	42	145	53	256	3.90	0.832
	%ge	2%	5%	16%	56%	21%	100%		
The management system with in our company is characterized by security of employment, conformity and steadiness in relationships	number	4	23	69	140	20	256	3.58	0.822
	%ge	2%	9%	27%	54%	8%	100%		
Group mean score and standard deviation								3.66	0.882

Table 7 shows reaction of respondents on questions related to management of employees within privately owned companies those already adopted IFRS. Accordingly, as the highest mean of 3.90 represents, market culture is the dominant organizational culture of companies included in the study. Meaning, management system of most of the companies included in the study is characterized by competition and job accomplishment.

On the other hand, though mean value of all the questions are above average, clan culture, hierarchy culture and then adhocracy culture are the least dominant practice of management of employees with in companies included in the study. Meaning, to some extent, the management system of some of the companies is characterized by teamwork, consensus and participation. The management system with in some of the companies is also a little bit characterized by security of employment, conformity and steadiness in relationship. In addition, risk taking, autonomy and exceptionality is the least likely character of management of employees within companies included in the study.

4.4.4 Organizational Glue

In this section, the response on organizational glue of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of four questions that represent four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 8. Descriptive Analysis of Organizational Glue

Organizational glue									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
The bond that holds our company together is dependability and common believe. There is commitment to the organization.	number	0	12	67	126	51	256	3.84	0.791
	%ge	0	5%	26%	49%	20%	100%		
The bond that holds our company together is commitment to innovation and improvement.	number	4	31	85	98	38	256	3.53	0.941
	%ge	2%	12%	33%	38%	15%	100%		
The bond that holds our company together is commitment to advancement and improvement.	number	4	23	75	119	35	256	3.62	0.887
	%ge	2%	9%	29%	46%	14%	100%		
The bond that holds our company together is clear rules and procedures. In addition maintaining a stable working environment is important	number	8	16	72	128	32	256	3.62	0.894
	%ge	3%	6%	28%	50%	13%	100%		
Group mean score and standard deviation								3.65	0.878

Table 8 shows reaction of respondents on questions related to organizational glue within privately owned companies those already adopted IFRS. Generally speaking, there is no outlier organizational culture with regard to organizational glue. However, as the highest mean of 3.84 represents, clan culture is the dominant organizational culture of companies included in the study. Meaning, The primary bond that holds companies included in the study together is dependability and common believe. As most of the responses depict, there is commitment to the organization.

On the other hand, though mean value of all the questions are above average, market culture, hierarchy culture and then adhocracy culture are the least likely bonds that holds companies included in the study together. Commitment to advancement and improvement, clear rules and procedures, and commitment to innovation and improvement are the list likely culture that holds companies included in the study together.

4.4.5 Strategic Emphasis

In this section, the response on strategic emphasis of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of four questions that represent four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 9. Descriptive Analysis of Strategic Emphasis

Strategic Emphasis									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
Our company emphasizes on human resource improvement. There is sustainable trust, openness and participation.	number	11	12	53	145	35	256	3.71	0.914
	%ge	4%	5%	21%	57%	13%	100%		
Our company emphasizes securing modern assets and making modern challenges. Attempting new things and prospecting for openings are esteemed	number	0	16	56	129	55	256	3.87	0.818
	%ge	0	6%	22%	50%	22%	100%		
Our company emphasizes competitive activities and accomplishment. Hitting extended targets and winning within the competition are overwhelming	number	0	6	82	146	42	256	3.72	0.650
	%ge	0	2%	32%	57%	9%	100%		
Our company emphasizes stability of employees. Efficiency, control and smooth working environment are important	number	4	16	77	133	26	256	3.63	0.811
	%ge	2%	6%	30%	52%	10%	100%		
Group mean score and standard deviation								3.73	0.798

Table 9 shows reaction of respondents on questions related to strategic emphasis within privately owned companies those already adopted IFRS. As the analysis shows, there is no outlier organizational culture with regard to strategic emphasis. However, as the highest mean of 3.87 represents, adhocracy culture is the dominant organizational culture of companies included in the study. Most of the respondents believe that companies more emphasizes to secure modern assets and making modern challenges. Attempting new things and prospecting for openings are the dominant culture with regard to strategic emphasis.

On the other hand, though mean value of all the questions are above average, market culture, clan culture and then hierarchy culture are the least likely cultures with regard to strategic emphasis. Companies are a little bit emphasizes competitive activities and accomplishment. Emphasizes on human resource improvement is also just above average. Efficiency, control and creating smooth working environment are also least likely culture within companies included in the study.

4.4.6 Criteria of Success

In this section, the response on criteria of success of the company that the respondents are working in is studied. Accordingly, the following table shows the detailed descriptive result of four questions that represent four types of organizational culture (i.e. clan, adhocracy, market and hierarchy culture) respectively.

Table 10. Descriptive Analysis of Criteria of Success

criteria of success									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
Our company characterizes success on the premise of the improvement of human assets, collaboration, worker commitment and concern for individuals	number	4	26	83	95	48	256	3.61	0.955
	%ge	2%	10%	32%	37%	19%	100%		
Our company characterizes success on the basis of having the most prompt service	number	15	10	38	178	15	256	3.66	0.881
	%ge	6%	4%	15%	69%	6%	100%		
Our company characterizes success on the premise of winning within the competition. Competitive administration is important	number	0	11	58	113	34	256	3.82	0.708
	%ge	0	4%	23%	60%	13%	100%		
Our company characterizes success on the premise of efficiency and effectiveness. Reliable service delivery, stable scheduling and low cost service are basic	number	4	8	38	173	33	256	3.87	0.727
	%ge	2%	3%	15%	67%	13%	100%		
Group mean score and standard deviation								3.74	0.818

Table 10 shows reaction of respondents on questions related to criteria of success within privately owned companies those already adopted IFRS. Accordingly, as the highest mean of 3.87 represents, hierarchy culture is the dominant organizational culture with regard to criteria of successes. Most of the respondents characterize organizational success on the premise of efficiency and effectiveness. Reliable service delivery, stable scheduling and low cost service are important. In addition, market culture is the second dominant organizational culture with regard to criteria of successes. As a mean of 3.82 represents, some of the respondents characterize success on the premise of winning within the competition. Respondents believe that competitive administration is important.

On the other hand, though mean value of all the questions are above average, adhocracy culture and then clan culture are the least dominant characteristics of companies with regard to criteria of success. Meaning, to some extent, some of the respondents characterizes success on the basis of having the most prompt service. In addition, there is a least likely agreement on characterization of success on the premise of improvement of human assets, collaboration, worker commitment and concern for individuals.

4.4.7 Summary of Descriptive Analysis of Organizational Culture Measures

The first point addressed by this study is an effort to understand the existing dominant organizational culture of privately owned companies in Ethiopia those adopted IFRS as their financial reporting basis. Therefore, summary of descriptive analysis of organizational culture measures is given in the following table.

Table 11. Summary of Descriptive Analysis of Organizational Culture Measures

		Clan Culture	Adhocracy Culture	Market Culture	Hierarchy Culture
Dominant Characteristics	mean	3.62	3.56	3.96	4.09
	St. divn	1.152	0.795	0.526	0.779
Organizational Leadership	mean	3.77	3.41	3.82	3.89
	St. divn	0.794	0.941	0.623	0.789
Management of Employees	mean	3.68	3.49	3.90	3.58
	St. divn	1.073	0.802	0.832	0.822
Organizational Glue	mean	3.84	3.53	3.62	3.62
	St. divn	0.791	0.941	0.887	0.894
Strategic Emphasis	mean	3.71	3.87	3.72	3.63
	St. divn	0.914	0.818	0.650	0.811
Criteria of Success	mean	3.61	3.66	3.82	3.87
	St. divn	0.955	0.881	0.708	0.727
TOTAL	mean	3.70	3.58	3.81	3.78
	St. divn	0.946	0.863	0.704	0.803

As table 11 shows, average mean value obtained from the six organizational culture dimensions of clan culture, adhocracy culture, market culture and hierarchy culture is 3.7, 3.58, 3.81 and 3.78 respectively. Therefore, the dominant organizational culture of privately owned companies in Ethiopia those adopted IFRS as their financial reporting basis is market culture and it is followed by hierarchy culture. Meaning, most of the respondents agreed that their organization is known for its desire to win competition in the market. Furthermore, to some extent, working environment governed by clear rules and procedures is the second dominant organizational culture. On the other hand, clan culture which is acting as a big family in the organization is actually a culture in some companies but not a dominant culture. In addition, as the analysis result shows, adhocracy culture is the least dominant culture of privately owned companies in Ethiopia.

4.5 Descriptive Analysis of the Success of IFRS Adoption Projects

In this section, responses obtained from employees of the sample companies through the structured questionnaires with regard to success of IFRS adoption are analysed. As the table below exhibit, with in three groups of questions, there are fifteen items included on the survey questionnaire to measure the dependent variable. Among the fifteen items, four questions which include negative wordings are reversely coded is SPSS analysis in order to facilitate uniform consideration of questions. Thus, respondents were requested to rate the questions ranging from Strong Disagreement to Strong Agreement according to the 5 – point Likert Scale.

Table 12. Descriptive Analysis of the Success of IFRS Adoption Projects

Success of IFRS first time adoption projects									
Items		1	2	3	4	5	Total	Mean	Standard Deviation
Project completion rate									
The IFRS adoption project was completed on time according to the initial schedule.	number	0	40	6	136	74	256	3.95	0.969
	%ge	0	16%	2%	53%	29%	100%		
The final costs associated with the IFRS adoption project stayed within the initial budget.	number	0	32	29	138	57	256	3.86	0.905
	%ge	0	13%	11%	54%	22%	100%		
We encountered significant delays during the IFRS adoption process.	number	0	8	91	103	54	256	3.79	0.807
	%ge	0	3%	36%	40%	21%	100%		
The IFRS adoption project required additional funding beyond the initial budget.	number	8	32	31	155	30	256	3.65	0.950
	%ge	3%	13%	12%	60%	12%	100%		
Overall, the IFRS adoption project stayed within the planned timeframe and budget.	number	0	20	15	187	34	256	3.92	0.706
	%ge	0	8%	6%	73%	13%	100%		
Financial Reporting Quality									
I am confident that the first IFRS financial statements complied with all relevant IFRS standards.	number	0	12	33	147	64	256	4.03	0.754
	%ge	0	5%	13%	57%	25%	100%		
The IFRS financial statements accurately reflect the company's financial position at the end of the reporting period.	number	0	16	39	125	76	256	4.02	0.838
	%ge	0	6%	15%	49%	30%	100%		
The company had to make significant adjustments to its financial statements after initial preparation under IFRS to ensure compliance with regulations.	number	0	16	70	147	23	256	3.69	0.721
	%ge	0	6%	27%	58%	9%	100%		
I am concerned that there may be material misstatements in the first IFRS financial statements.	number	0	30	94	100	32	256	3.52	0.858
	%ge	0	12%	37%	39%	12%	100%		
Overall, I believe the first IFRS financial statements provide a fair and accurate picture of the company's financial health.	number	0	12	31	171	42	256	3.95	0.687
	%ge	0	5%	12%	69%	16%	100%		
Employee Satisfaction									
The IFRS adoption project achieved its overall objectives for the company.	number	0	20	54	149	33	256	3.76	0.773
	%ge	0	8%	21%	58%	13%	100%		
The IFRS adoption process was well-communicated and transparent for employees.	number	0	6	42	184	24	256	3.88	0.582
	%ge	0	2%	16%	72%	10%	100%		
I am satisfied with the training and support provided during the IFRS adoption project.	number	0	32	7	167	50	256	3.92	0.848
	%ge	0	13%	3%	64%	20%	100%		
Feel well-prepared to perform my job duties under the new IFRS standards.	number	4	4	26	197	25	256	3.92	0.630
	%ge	2%	2%	10%	76%	10%	100%		
Overall, I am satisfied with the outcome of the IFRS adoption process for the company.	number	0	26	4	180	46	256	3.96	0.776
	%ge	0	10%	2%	70%	18%	100%		
Group mean score and standard deviation								3.85	0.787

Table 12 shows reaction of respondents on questions related to success of IFRS adoption projects within privately owned companies in Ethiopia those already adopted IFRS. With regard to completion rate of the adoption projects, more than half of the respondents agreed that IFRS adoption projects are completed on time and the adoption projects stayed within the initial budget. Overall, 73% of the respondents agreed that the IFRS adoption projects stayed within the planned timeframe and budget. On the same fashion, more than half of the respondents agreed on the financial reporting quality of IFRS projects.

With regard to employee satisfaction on IFRS adoption projects, most of the respondents believe that IFRS adoption projects achieved its overall objectives for the company, and the IFRS adoption process was well-communicated and transparent for employees. In addition, most of the respondents are satisfied with the training and support provided during the IFRS adoption project, and feels well-prepared to perform future duties under the new IFRS standards. To sum up, more than half of the respondents agreed that IFRS adoption projects are completed on time and within originally stated budget, quality of IFRS reports were to the standard, and employees are satisfied with the IFRS adoption process.

4.6 Correlation Analysis

Correlation, in statistics, refers to the degree to which two variables are related to each other (Brooks, 2008). This relationship can be positive, negative, or nonexistent, and correlation indicates a relationship between the variables, but it does not necessarily mean one causes the other.

Furthermore, the correlation coefficient is a numerical value typically ranging from -1 to +1. Positive correlation between 0 and +1 represents as one variable increases, the other tends to increase as well. Negative correlation between -1 and 0 represents as one variable increases, the other tends to decrease. Zero correlation (close to 0) represents there is no linear relationship between the two variables. The following table shows correlation relationship between independent variables as well as dependent variable of the study.

Table 13. Correlation between Variables

Correlations					
	Clan Culture	Adhocracy Culture	Market Culture	Hierarch Culture	IFRS Adoption Success
Clan Culture	1				
Adhocracy Culture	0.622**	1			
Market Culture	0.464**	0.724**	1		
Hierarchy Culture	0.386**	0.682**	0.734**	1	
IFRS Adoption Success	0.546**	0.429**	0.597**	0.347**	1

** . Correlation is significant at the 0.01 level (2-tailed).

The table above shows correlation coefficients between various organizational cultures (Clan, Adhocracy, Market, and Hierarchy) and IFRS adoption success. With regard to correlation among independent variables, correlations between clan and adhocracy culture, adhocracy and market culture, adhocracy and hierarchy culture, market and hierarchy culture are positive and statistically significant at the 0.01 level (2-tailed). However, clan and market culture, and clan and hierarchy culture do not have significant correlation with each other.

As the above table indicates, clan culture (0.546) and market cultures (0.597) exhibit positive and slightly significant correlation with the success of IFRS adoption projects. This means, opinion of respondents with regard to clan and market cultures goes in the same direction with respondent's opinion on the success of IFRS adoption projects. On the other hand, though adhocracy and hierarchy cultures do have positive correlation with the success of IFRS adoption projects, the relationship is not significant.

4.7 Regression Analysis

In this section, we delve into the examination of elaborated relationship between organizational culture and the success of International Financial Reporting Standards (IFRS) adoption projects. As the implementation of IFRS becomes increasingly prevalent in global financial environments, understanding the influence of organizational culture on the efficacy of these initiatives is paramount. This analysis comprises two pivotal components: diagnostic tests and regression analysis. Through diagnostic tests, we assess the underlying assumptions crucial for reliable regression analysis. Subsequently, utilizing regression techniques, we uncover nuanced insights

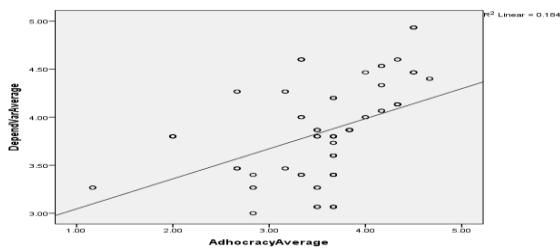
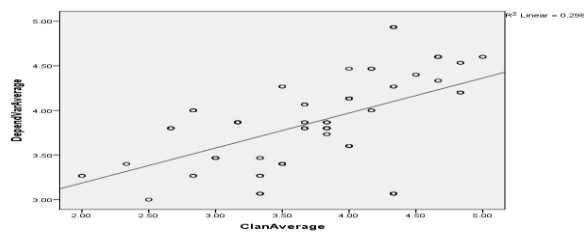
into how various dimensions of organizational culture impact the outcomes of IFRS adoption projects, thereby shedding light on critical factors driving their success or hindrance.

4.7.1 Diagnostic Test

This section deals with the tricky assumption of multiple linear regression models, such as linearity, normality, and multicollinearity test.

Linearity Test

Linearity refers to the property of a relationship between two variables that can be represented by a straight line (Brooks, 2008). In the context of statistics, a linearity test is a statistical procedure used to assess whether the relationship between an independent variable and a dependent variable is linear. The reason for testing linearity is that linear regression assumes that the relationship between the variables is linear. If the relationship is not linear, then these methods may produce inaccurate results. Accordingly, linearity between the successes of IFRS adoption projects (dependent variable) and each of independent variables (Clan, Adhocracy, Market, and Hierarchy) is shown in the following scatter diagrams.



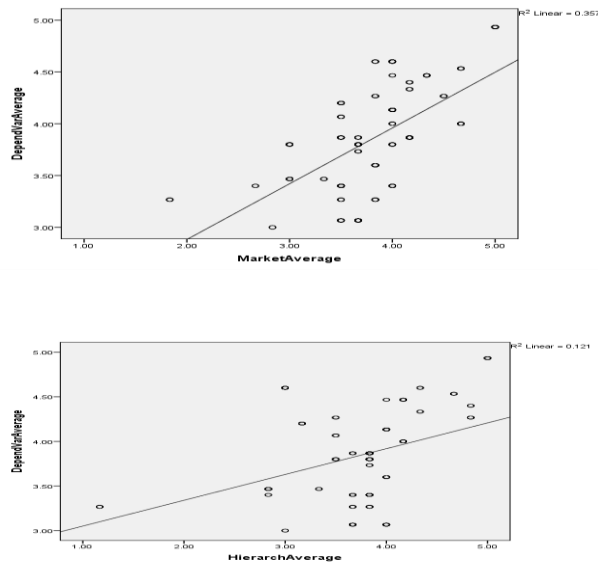


Figure 5: Dependent vs. Independent Variables Scatter Diagrams

As shown in the above diagrams, clan culture and then market culture are linearly related to the success of IFRS adoption projects. Adhocracy culture and hierarchy culture are also seems linearly related even though the data is a little bit scattered.

Testing for Normality

Testing for normality is a statistical procedure used to assess whether a data set likely comes from a normal distribution. This is important because regression analysis assumes that variables have normal distributions. Non-normally distributed variables can misrepresent relationships and significance tests.

Accordingly, several techniques are available to the researcher in testing this assumption, and one of them is the histogram. It is of course impossible that a histogram of sample data will produce a wonderfully smooth normal curve just like the one displayed over the histogram. As long as the data is approximately normally distributed, with a top within the middle and fairly symmetrical, the assumption of normality has been met. As the following histogram shows, success of IFRS adoption projects were approximately normally distributed like a bell curve or the data points close to the diagonal for the independent variable (CC, AC, HC, and MC).

Figure 4.6.Histogram

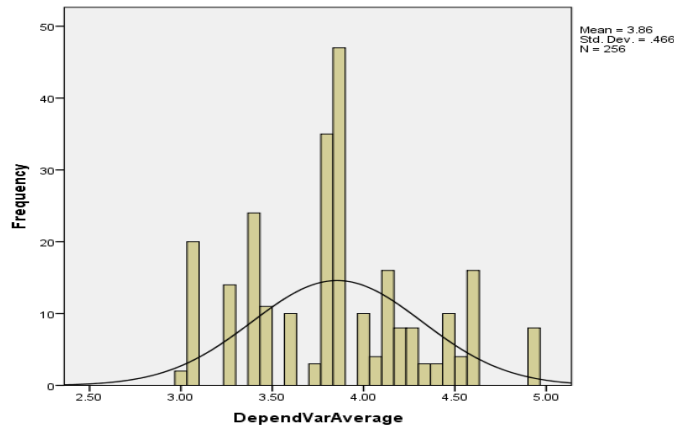


Figure 6: Histogram

Test for Multicollinearity

Another assumption of the classical linear regression model is the test of multicollinearity. It refers to a situation in regression analysis where two or more independent variables (predictors) in the model are highly correlated with each other (Brooks, 2008). This essentially means they share a lot of information and can be somewhat redundant in explaining the dependent variable (what you're trying to predict). Accordingly, to know the existence of multicollinearity it's possible to use indicators of Tolerance, Variance Inflation Factor (VIF), and Correlation. Tolerance is that the amount of variability in one independent variable is not explained by the other independent variables, and it's in fact $1-R^2$. On the other hand, Variance Inflation Factor (VIF) helps to assess how much the uncertainty around the estimated effects of each independent variable is inflated because other independent variables in the model are already capturing some of the same information. Generally speaking, Tolerance and Variance Inflation Factor (VIF) are two sides of the same coin and collinearity statistics result of the study is shown in the following table.

Table 14. Collinearity Statistics

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1		
Clan Culture	.608	1.644
Adhocracy Culture	.333	3.006
Market Culture	.366	2.733
Hierarch Culture	.410	2.438

As the above table shows, even though the independent variables are correlated with each other, the tolerance level of more than 0.25 doesn't indicate a multicollinearity problem. As VIF is the reciprocal of tolerance (1 / Tolerance), a tolerance less than 4 (or 1 / 0.25) also doesn't indicate a multicollinearity problem. Therefore, data used in the study related to independent variables do not have multicollinearity problem.

4.7.2 Regression Analysis Result

The third research question to be addressed by this study was which organizational culture factor influences the success of IFRS adoption projects more. In order to answer this question, multiple linear regression analysis is done using the following equation:

$$y = \beta_0 + \beta_1(CC) + \beta_2(AC) + \beta_3(MC) + \beta_4(HC) + e_{it}$$

Where:

- ✓ Y is success of IFRS adoption projects (dependent variable)
- ✓ $\beta_0, \beta_1, \beta_2, \beta_3$ and β_4 are estimated coefficients including the intercept;
- ✓ CC, AC, MC and HC are independent variables of clan, adhocracy, market and hierarchy cultures respectively.
- ✓ E_{it} is the error term

The researcher applied ordinal 5 point Likert scale measurement technique. Accordingly, average response of 15 questions obtained from 256 participants related to the completion rate,

quality of IFRS report and employee satisfaction is taken as dependent variable. On the contrary, average responses of 6 questions under each types of organizational culture (clan, adhocracy, market and hierarchy) are taken as independent variables of the study. The model summary and regression result of the study are given below:

Table 15. Multiple Regression Analysis Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.699 ^a	.488	.480	.33617

Predictors: (Constant), Hierarch Culture, Clan Culture, Market Culture, Adhocracy Culture

The above table explains the extent to which the four independent variables predict the success of IFRS adoption projects in private companies in Ethiopia. The R-squared value (0.488) indicates that the model explains approximately 48.8% of the variance in the success of IFRS adoption projects. This suggests a moderate fit, meaning other factors beyond the four cultural dimensions included in the model likely play a role as well. The adjusted R-squared (0.48) is slightly lower than R-squared, which is a good sign as it adjusts for the number of independent variables and helps prevent over fitting.

Table 16. Regression Coefficients of the Variables

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.482	.173		8.569	.000
1					
Clan Culture	.308	.042	.429	7.416	.000
Adhocracy Culture	-.154	.057	-.211	-2.695	.008
Market Culture	.610	.067	.677	9.068	.000
Hierarchy Culture	-.143	.059	-.171	-2.431	.016

a. Dependent Variable: Success of IFRS Adoption Projects

When we came to the relationship between success of IFRS projects and each independent variable, as presented in table 4.13, the result of multiple regressions coefficient depicts that market culture and clan culture have positive and significant effect on the success of IFRS adoption projects. On the other hand, hierarchy culture and adhocracy culture have negative and significant effect on the success of IFRS adoption projects.

To elaborate the regression result, market culture with a beta value of with $\beta = 0.677$, at 95% confidence level ($p < 0.05$) have a significant and greater positive influence on success of IFRS projects in Ethiopia. The highest positive coefficient (0.677) suggests that a stronger market culture is most likely associated with a higher success rate in IFRS adoption projects compared to the other cultures. Even though their study dependent variable was employee performance and effectiveness, this study finding is supported by Zewdu Mekonnen (2021), Samuel Wubetu (2021), Bayisa Begna (2021), Dereje Melku (2021) and Semene Mihret (2018).

In addition, clan culture with a beta value of with $\beta = 0.429$, at 95% confidence level ($p < 0.05$) suggests that a stronger clan culture is associated with a slightly higher success rate in IFRS adoption projects. This finding is supported by many scholars who did their research on organizational culture issues. Even though their study dependent variable was employee performance, Davis and Cates (2018) argued that the regression output in their study showed that clan culture had a significant influence on employee performance with ($\beta = .153$, $t = 1.848$, $p < .05$) and they concluded that there is a significant relationship between clan culture and performance in public sectors of Kenya. In addition, Zewdu Mekonnen (2021) study indicates that clan culture, with a beta value of $\beta = 0.611$ have significant and positive influence on employee performance. Furthermore, Daniel Mamo (2020) examined the link between organizational culture and the employee effectiveness of some selected public universities in Ethiopia and he concluded that Clan organizational type exhibits significant relationship with academic and morale domains of employee effectiveness.

On the other hand, adhocracy culture with a negative beta value of $\beta = -0.211$, at 90% confidence level ($p < 0.05$) indicates that a stronger adhocracy culture might be associated with a lower success rate in IFRS adoption projects. As IFRS adoption is a complex process with many regulations and reporting requirements, strong adhocracy culture, which emphasizes flexibility

and informality, lacks the necessary structure and established processes for effective implementation. In addition, related to hierarchy culture, the negative coefficient (-0.171) suggests that a stronger hierarchy culture might be associated with a lower success rate in IFRS adoption projects. As hierarchy cultures rely on established chains of command for decision-making, this can lead to slow and bureaucratic processes, potentially delaying the IFRS adoption project.

4.7.3 Test of Hypothesis

As given in the literature review section of the study, there were four hypothesis developed by the researcher from organizational culture theories and related empirical studies. The first hypothesis said that clan culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia. This hypothesis is accepted by the study as the regression result shows positive beta value of $\beta = 0.492$, at 95% confidence level ($p < 0.05$). The second hypothesis said that hierarchy culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia. Unlike the first hypothesis, this hypothesis is not accepted by the study as the regression result shows negative beta value of $\beta = -0.171$, at 95% confidence level ($p < 0.05$).

Then, the third hypothesis said that market culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia. This hypothesis is accepted by the study as the regression result shows positive beta value of $\beta = 0.677$, at 95% confidence level ($p < 0.05$). Finally, the fourth hypothesis said that adhocracy culture has a significant positive effect on the success of IFRS first-time adoption projects in private companies in Ethiopia. However, this hypothesis is not accepted by the study as the regression result shows negative beta value of $\beta = -0.211$, at 95% confidence level ($p < 0.05$).

4.8 Interview Responses

The study employed an Explanatory Sequential Mixed Methods design. Thus, the research commenced with a quantitative phase, involving a survey to gather data from a representative sample. The survey results were then analyzed and interpreted to identify trends and patterns. Subsequently, a qualitative phase was conducted, utilizing in-depth interviews with management

personnel from five prominent companies across various industries (trading, manufacturing, construction, service, and agribusiness). These companies were strategically selected to represent the population strata.

Then, the interview was primarily focused on the dominant organizational culture of the companies that represent each industries of the population. According to the interviewee's response, trading companies typically thrive in a market culture. Results, competition, and individual achievement are paramount. Contrary, manufacturing companies often leans towards a hierarchy culture, sometimes with elements of market culture. Here, structured processes, efficiency, quality control, and meeting production targets reign supreme. A clear chain of command and well-defined decision-making hierarchy keep things running smoothly.

On the other hand, construction companies generally operate in a hierarchy culture, with some touch of clan culture. As projects have a clear structure with defined roles and responsibilities, safety and adherence to regulations are top priorities. Teamwork and on-site collaboration was crucial. However, smaller construction companies foster a more clan-like atmosphere with a strong sense of community and shared values. With regard to service giving firms, they often leans towards a clan culture, prioritizing customer satisfaction, collaboration among professionals, service excellence and creating a welcoming environment. Finally, with regard to agribusiness sector companies, the dominant culture in agribusiness varies from clan culture and hierarchy culture. Small agribusinesses tend to have clan culture with a strong sense of community, shared values, and collaboration between owners and employees. Large-scale, industrial farms more lean towards a hierarchy culture, emphasizing efficiency, production quotas, and standardized practices.

The second topic investigated in the interview was the success rate of IFRS adoption projects and the role played by the respective organizational cultures (clan, adhocracy, market and hierarchy). Most of the interview responses suggest that IFRS projects were successful with regard to on time completion and reporting of the job. However, concern is raised on the quality of IFRS reports and employees satisfaction on the process and output of projects. In addition, to support lower R Square value of the regression finding (0.488), the respondents' stressed that the success of IFRS projects from the point of on time completion is not primarily caused by the stated organizational cultures. Instead, as IFRS adoption was statutory obligation imposed by

government agency, compliancy concern was the primary motivation for adoption and on time completion. In addition, as IFRS first time adoption projects were managed by external consultants, the success or failure of the project was primarily lies on consultants' competency instead of established organizational culture in implementing companies.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter summarizes the major findings of the study in elaborated form. Then, conclusions drawn from the study findings as well as recommendations are presented.

5.1 Summary of Findings

The primary objective of this study was to assess the effect of organizational culture on the success of IFRS adoption projects in Ethiopia private companies. Thus, in order to address this objective, the question of identifying the dominant culture in Ethiopia private companies those adopted IFRS as their financial reporting basis, assessing the relationship between organizational culture and success of IFRS adoption projects, and analyzing the effect of organizational culture on the success of IFRS adoption projects have to be answered. Accordingly, based on the analysis of data obtained from respondents through structured questioners as well as in-depth interviews, the following major findings are identified.

- 1) Out of 336 questionnaires distributed (228 electronically and 108 printed), an impressive response rate of 76% was achieved, with 256 usable responses collected. In addition, to gain deeper insights, in-depth interviews were conducted with five respondents representing each industry from the study population.
- 2) The survey achieved a balanced gender distribution with 45% male and 55% female respondents. All respondents were aged 26 or above, with the largest groups (42% each) falling between 26-35 and 36-45 years old. Notably, all participants were university graduates; 67% held bachelor's degrees and 33% possessed postgraduate qualifications (MA/MSc/MBA). Regarding experience, 60% had been with their organizations for more than five years. The breakdown by service is: 5% (1-3 years), 35% (3-5 years), 32% (6-10 years), and 28% (over 10 years). Finally, the majority (71%) were directly involved in IFRS adoption as team members, while 19% held management positions, and 10% were other employees.

- 3) The study found hierarchy (mean: 4.09) as the dominant culture in private companies, indicating a structured work environment with rules guiding employee behavior. Market culture (mean: 3.92) was also significant, suggesting a focus on competition and achievement. Clan and adhocracy cultures scored lower, implying a lesser emphasis on familial atmosphere and a dynamic work environment.
- 4) The study revealed a preference for hierarchical leadership (mean: 3.89) in private IFRS adopters, indicating a focus on organized task management. Market leadership (mean: 3.82) was also favored, suggesting a results-oriented approach. Clan and adhocracy cultures scored lower, implying less emphasis on supportive leadership and innovation/risk-taking.
- 5) The study found market culture (mean: 3.90) to be the dominant approach to employee management in private IFRS adopters, emphasizing competition and achievement. Clan, hierarchy, and adhocracy cultures scored lower, suggesting less focus on teamwork, security, and risk-taking in employee management.
- 6) The study identified clan culture (mean: 3.84) as the strongest "organizational glue" for private IFRS adopters, emphasizing shared values and commitment as the unifying force. Market, hierarchy, and adhocracy cultures played a lesser role in binding employees.
- 7) The study found adhocracy culture (mean: 3.87) as the dominant strategic emphasis for private IFRS adopters, with a focus on acquiring new assets, embracing challenges, and exploring opportunities. Market, clan, and hierarchy cultures played a lesser role, suggesting a lower emphasis on competition, employee development, and operational efficiency.
- 8) The study revealed a preference for hierarchical criteria of success (mean: 3.87) among private IFRS adopters, emphasizing efficiency, reliable service, and cost control. Market culture (mean: 3.82) also played a role, with some valuing competitive advantage. Adhocracy and clan cultures were less important, suggesting a lower focus on innovation and employee well-being as success metrics.

- 9) The study found that over half of respondents in Ethiopian private companies believe IFRS adoption projects were completed on time, within budget, and resulted in high-quality financial reporting. Employee satisfaction was also positive, with most reporting clear communication, adequate training, and feeling prepared for future tasks under IFRS.
- 10) The analysis revealed positive correlations between all cultural dimensions (clan, adhocracy, market, hierarchy) except clan with market and clan with hierarchy. Interestingly, market culture (0.597) had a slightly stronger positive correlation with perceived IFRS adoption success than clan culture (0.546). While adhocracy and hierarchy cultures also showed positive correlations, they weren't statistically significant.
- 11) The data validity test of multiple linear regression model shows that clan and market cultures have a linear relationship with IFRS adoption success. Adhocracy and hierarchy cultures also seem linearly related, but with some data scatter. On the other hand, the distribution of IFRS adoption success is approximately normal. In addition, there's no multicollinearity among the independent variables (clan, adhocracy, market, and hierarchy cultures) as their respective tolerance levels are above 0.25.
- 12) The model explains about 48.8% of the variation in IFRS adoption project success in Ethiopian private companies ($R^2 = 0.488$). This suggests a moderate fit, indicating other factors likely influence success beyond the four cultural dimensions considered. The adjusted R^2 (0.48) is slightly lower, which is a good sign as it prevents overfitting the model to the data.
- 13) The study found that market culture ($\beta = 0.677, p < 0.05$) has the strongest positive impact on IFRS adoption success in Ethiopian private companies, followed by clan culture ($\beta = 0.429, p < 0.05$). This aligns with previous research suggesting a positive link between these cultures and employee performance. Conversely, strong adhocracy ($\beta = -0.211, p < 0.05$) and hierarchy cultures ($\beta = -0.171, p < 0.05$) were associated with lower success rates. IFRS adoption's complexity may clash with adhocracy's emphasis on flexibility, while hierarchy's rigid structures could slow down the process.

14) Interview conducted with five management personnel explored how industry shapes company culture. According to the interviewee response, trading companies prioritizes competition (market culture), while manufacturing emphasizes structure and efficiency (hierarchy culture with some market influence). Construction companies balances hierarchy for safety and regulations with clan culture for teamwork (especially in smaller firms). Service companies value customer focus and collaboration (clan culture). Agribusinesses vary by size, with small firms fostering a strong community (clan culture) and large farms prioritizing efficiency (hierarchy culture). In addition, the interview response revealed that while most IFRS projects met deadlines, concerns exist about report quality and employee satisfaction. Interestingly, respondents attributed timely completion of IFRS adoption projects more to government mandates than specific cultures.

5.2 Conclusion

The effect of organizational culture on the success of IFRS adoption projects in the case of private companies in Ethiopia is assessed in detail. Then, major findings of the study including response rate, demographic data and data validity tests are presented. Accordingly, the following conclusions are drawn from major findings of the study.

- 1) Market culture (mean: 3.81) is the dominant organizational culture in Ethiopian private companies that adopted IFRS, followed by hierarchy culture (mean: 3.78). This suggests a focus on competition and achievement (market) with a well-defined structure and rules (hierarchy). Clan culture (mean: 3.70) and adhocracy culture (mean: 3.58) are less prevalent, indicating a lesser emphasis on familial atmosphere and innovation/risk-taking.
- 2) The study found a positive perception of IFRS adoption success in Ethiopian private companies. Over half of the respondents reported on-time completion, budget adherence, and high-quality financial reporting. Additionally, a majority expressed satisfaction with employee communication, training, and preparedness for future tasks under IFRS.
- 3) The study identified positive correlations between all organizational cultures (clan, adhocracy, market, hierarchy) and IFRS adoption success, suggesting that companies

with stronger elements of any culture tend to perceive their IFRS adoption more favorably. However, only market culture (0.597) and clan culture (0.546) showed statistically significant relationships, implying a clearer link between a competitive and familial atmosphere, and successful IFRS adoption in Ethiopian private companies.

- 4) The study found a moderate fit ($R\text{-squared} = 0.488$) between the four organizational cultures (market, clan, hierarchy, adhocracy) and IFRS adoption success in Ethiopian private companies. This suggests other factors likely influence success as well. Interestingly, market culture ($\beta = 0.677$, $p < 0.05$) had the strongest positive impact, followed by clan culture ($\beta = 0.429$, $p < 0.05$). Conversely, strong adhocracy ($\beta = -0.211$, $p < 0.05$) and hierarchy cultures ($\beta = -0.171$, $p < 0.05$) were associated with lower success rates. This aligns with the notion that a competitive, results-oriented environment with a strong sense of community facilitates successful IFRS adoption, while overly flexible or bureaucratic structures may hinder the process.

5.3 Recommendation

Based on this study's findings, the following recommendations are offered:

- 1) **General understanding of the importance of organizational culture:** - The researcher observations during interviews suggest that many management personnel underestimate the significant impact organizational culture has on a company's success. To address this problem, first, companies should clearly define their desired culture. This involves articulating the values, behaviors, and attitudes they want to cultivate within the organization. A well-defined culture attracts and retains talent aligned with the company's goals, fosters better decision-making, and boosts innovation. Second, companies should recognize that the most fruitful culture may vary depending on the situation. For example, a project requiring rapid innovation might benefit from a more collaborative and flexible culture, while a focus on efficiency and production might call for a more results-oriented culture. Identifying the optimal cultural fit for different company engagements can lead to greater success.

- 2) **Relevant organizational culture for projects success:** - Private companies are known for their market oriented culture. In Ethiopian private companies that adopted IFRS, market and hierarchy cultures are the most dominant cultures as compared to clan and then adhocracy culture. However, for IFRS projects success, market culture and then clan culture plays a crucial role. Therefore, it is recommended that private companies should cultivate both market and then clan cultures more. Market culture emphasizes results and achievement, while clan cultures focus on collaboration and relationships. The combination can lead to effective project management.

- 3) **Area of concern for future studies:** - Based on the R-squared value of 48.8%, the study finding suggest that organizational culture (clan, adhocracy, hierarchy, and market) explains less than half of the variation in IFRS adoption project success. This indicates the presence of other significant factors not considered in this research. Therefore, future research on IFRS adoption success as well as other change initiatives in private companies should explore a broader range of potential influencing factors. This could include areas like project management practices, leadership styles, communication strategies, or the availability of training and resources.

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APPENDICES

DEBRE BIRHAN UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT (PROJECT MANAGEMENT PROGRAM)

Appendix 1: English Questionnaire

Dear respondents;

I am Belayneh Hailegeorgis, a graduate student at Debre Berhan University, College of Business and Economics, Department of Management (Project Management Program). Currently, I am undertaking a research titled “The Effect of Organizational Culture on IFRS First Time Adoption Projects: The Case of Private Companies in Ethiopia”. The result of the study will be helpful for companies included in the study to understand a type of organizational culture that has greater effect on the success of IFRS adoption projects. In addition, it will be helpful to adjust its focus on the most important organizational culture that will have importance on future projects and change initiatives.

Dear respondents, your participation in this survey is voluntary. To ensure the success of the research, I would like to seek your support and cooperation in responding the questionnaire as soon as possible. In addition, it is worthy to acknowledge the fact that the soundness and validity of the findings is highly dependent on your reliable and genuine responses. In addition, the information you provide will be used only for the purpose of the study and will be kept strictly confidential.

Thank you in advance for your kind cooperation.

General Directions:

- 1) No need of writing your name
- 2) Please put a tick (√) mark in the box for your answer and for the number of your choice for the alternatives given.
- 3) If you require further clarification or details, please contact me with the following address: Email: belay27haile@gmail.com or by phone number: 0913381152.

PART 1: General Background of Respondents (Demographic Information)

1) Your Age:

18-25 years 26-35 Years 36-45 Years 46 and above

2) Your Gender: Male Female

3) Your Highest Level of Education:

College Diploma/Level IV Certificate Bachelor Degree

Second Degree (MA/MSc/MBA) Others _____

4) How many years did you work in the organization?

1-3 years 4-5 years 6-10 years Above 10 years

5) Your Employment Group:

Management IFRS Adoption Team member other _____

PART 2: ORGANIZATIONAL CULTURE

This part of the questionnaire consists of items to assess six key dimensions of organizational culture in your organization i.e., dominant characteristics, institutional leadership, management of employee, organizational glue, strategic emphasis, and criteria of success. Judge how frequently each statement fits the institutional culture in your organization. Use the following rating scale, and put “√” mark for each rating. 1: **Strongly Disagree (SD)**, 2: **Disagree (D)**, 3: **Neutral (N)**, 4: **Agree (A)** and 5: **Strongly Agree (SA)**

Table 1. Organizational Culture Questions:- English

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
	Dominant Characteristics					
A	Our company is exceptionally a private place. It is like a big family. Individuals share numerous things at work					
B	Our company is a very dynamic working					

	environment. workers are eager to take risk					
C	Our company focuses on outcomes. Workers are exceptionally competitive and eager for accomplishment.					
D	Our company is a very ordered and structured place. Processes, strategies, rules and policies govern what people do.					
Organizational Leadership						
A	The leadership of our company is for the most part considered to embody mentoring, encouraging or supporting					
B	The leadership of our company is for the most part considered to embody innovation or risk taking					
C	The leadership of our company is for the most part considered to embody results-orientated focus					
D	The leadership of our company is for the most part considered to embody organizing, managing, or smoothly running effectiveness.					
Management of Employees						
A	The management system with in our company is characterized by teamwork, consensus and participation					
B	The management system with in our company is characterized by risk taking, autonomy and exceptionality					
C	The management system with in our company is characterized by competition and job accomplishment					
D	The management system with in our company is characterized by security of employment, conformity and steadiness in relationships					
Organizational Glue						
A	The bond that holds our company together is dependability and common believe. There is commitment to the organization.					
B	The bond that holds our company together is commitment to innovation and					

	improvement.					
C	The bond that holds our company together is commitment to advancement and improvement.					
D	The bond that holds our company together is clear rules and procedures. In addition maintaining a stable working environment is important					
Strategic Emphasis						
A	Our company emphasizes on human resource improvement. There is sustainable trust, openness and participation.					
B	Our company emphasizes securing modern assets and making modern challenges. Attempting new things and prospecting for openings are esteemed					
C	Our company emphasizes competitive activities and accomplishment. Hitting extended targets and winning within the competition are overwhelming					
D	Our company emphasizes stability of employees. Efficiency, control and smooth working environment are important					
Criteria of Success						
A	Our company characterizes success on the premise of the improvement of human assets, collaboration, worker commitment and concern for individuals					
B	Our company characterizes success on the basis of having the most prompt service.					
C	Our company characterizes success on the premise of winning within the competition. Competitive administration is important					
D	Our company characterizes success on the premise of efficiency and effectiveness. Reliable service delivery, stable scheduling and low cost service are basic					

PART THREE: IFRS FIRST TIME ADOPTION PROJECTS SUCCESS

Please indicate the degree of your agreement/disagreement with the following statements associated with major indicators of the success of IFRS first time adoption project in your organization. Use the following rating scale, and put “√” mark for each rating. 1: **Strongly Disagree (SD)**, 2: **Disagree (D)**, 3: **Neutral (N)**, 4: **Agree (A)** and 5: **Strongly Agree (SA)**

Table 2. Questions on the Success of IFRS Adoption Projects: English

		1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
Project Completion Rate						
A	The IFRS adoption project was completed on time according to the initial schedule.					
B	The final costs associated with the IFRS adoption project stayed within the initial budget.					
C	We encountered significant delays during the IFRS adoption process.					
D	The IFRS adoption project required additional funding beyond the initial budget.					
E	Overall, the IFRS adoption project stayed within the planned timeframe and budget.					
Financial Reporting Quality						
A	I am confident that the first IFRS financial statements complied with all relevant IFRS standards.					
B	The IFRS financial statements accurately reflect the company's financial position at the end of the reporting period.					
C	The company had to make significant adjustments to its financial statements after initial preparation under IFRS to ensure compliance with regulations.					
D	I am concerned that there may be material misstatements in the first IFRS financial statements.					
E	Overall, I believe the first IFRS financial					

	statements provide a fair and accurate picture of the company's financial health.					
Employee Satisfaction						
A	The IFRS adoption project achieved its overall objectives for the company.					
B	The IFRS adoption process was well-communicated and transparent for employees.					
C	I am satisfied with the training and support provided during the IFRS adoption project.					
D	I feel well-prepared to perform my job duties under the new IFRS standards.					
E	Overall, I am satisfied with the outcome of the IFRS adoption process for the company.					

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Appendix 2: Amharic Questionnaire

የተወደዳችሁ የመጠይቁ ተሳታፊዎች :-

በላይኑኑ ኃይለጊዮርጊስ እባላለሁ :: በደብረ ብርሃን ዩኒቨርሲቲ የቢዝነስ እና ኢኮኖሚክስ ኮሌጅ የሁለተኛ ዲግሪ ተማሪ ስሆን በአሁኑ ወቅት “ተቋማዊ ባህል ለትርፍ የተቋቋሙ ድርጅቶች የIFRS ትግበራ ፕሮጀክት ውጤታማነት ላይ የነበረው ሚና” በሚል አርእስት የመመረቁ ጽሁፍ እያዘጋጀሁ እገኛለሁ :: ጥናቱ የተሳታፊ ድርጅቶች ተቋማዊ ባህል በየትኛው የተቋማዊ ባህል ዘርፍ ውስጥ እንደሚመደብ ለመረዳት እና ተሳታፊ ድርጅቶች ወደፊት ለሚከውኗቸው ፕሮጀክቶች እና የተቋማዊ ለውጥ እንቅስቃሴዎች ውጤታማነት የትኛው የተቋማዊ ባህል ዘርፍ የተሻለ ውጤታማ እንደሚያደርጋቸው ለመጠቀም ያገለግላል ::

ስለሆነም መጠይቁን በጥንቃቄ እንድትሞሉት እየጋበዝኩ በዚህ መጠይቅ ላይ የምትሰጡት መረጃ ለዚህ ጥናት ዓላማ ብቻ የሚውል እንደሆነ እና ሚስጢራዊነቱ የተጠበቀ መሆኑን አረጋግጥላችኋለሁ::

መጠይቁን ለመሙላት ፍቃደኛ ስለሆናችሁ አመሰግናለሁ !!

አጠቃላይ መመሪያ :-

- 1) መጠይቁ ላይ ስሞትን መፃፍ አያስፈልግም
- 2) እባክዎ ከተሰጡት አማራጮች ውስጥ የእርስዎ ምላሽ የሆነው ላይ የራዎት ምልክት (✓) ያድርጉ
- 3) ተጨማሪ ማብራሪያ ከፈለጉ በስልክ ቁጥር 0913381152 ወይንም በኢሜል አድራሻ belay27haile@gmail.com በኩል ሊያገኙኝ ይችላሉ::

ክፍል 1 - የመልስ ሰጪዎች አጠቃላይ መረጃ

1) እድሜ

18 – 25 26 -35 36 - 45 ከ46 ዓመት በላይ

2) ፆታ

ወንድ ሴት

3) የትምህርት ደረጃ

ደረጃ 4/ዲፕሎማ የመጀመሪያ ዲግሪ ሁለተኛ ዲግሪ ከዚያ በላይ

4) በድርጅቱ ውስጥ ያሉት የሥራ ልምድ -

ከ1 - 3 ዓመት ከ4-5 ዓመት ከ6 - 10 ዓመት ከ 10 ዓመት በላይ

5) የሥራ መደብ:

አስተዳደር የትግበራ ቡድን አባል ሌላ _____

ክፍል 2 - የድርጅቱን ተቋማዊ የሥራ ባህል የተመለከቱ ጥያቄዎች

ይህ ክፍል የድርጅቱን ተቋማዊ የሥራ ባህል ለመዳሰስ የሚያስችሉ ስድስት የመገምገሚያ ነጥቦች ይዟል ። እነርሱም የድርጅቱን ተቋማዊ የሥራ ባህል ዘርፍ የሚጠቁም መሰረታዊ ባህል፣ የአመራር ሰጪነት ባህል፣ የሰራተኛ አስተዳደር ባህል፣ ድርጅቱ ውስጥ እንደንቀጥል የሚያስገድደን ባህል፣ የድርጅቱ ስትራቴጂካዊ ትኩረት እና የስኬታማነት መስፈርት ናቸው። ስለሆነም ለተዘረዘሩት ጥያቄዎች ከድርጅቱ ተቋማዊ ባህል ጋር የሚስማማውን በመምረጥ ይህንን ምልክት (✓) ያድርጉ።

- የቀረቡ አማራጮች 1. በጣም አልስማማም 2. አልስማማም 3. ለመወሰን እችላለሁ
 4. እስማማለሁ 5. በጣም እስማማለሁ

Table 3. Organizational Culture Questions:- Amharic

		1 በጣም አልስማማም	2 አልስማማም	3 ለመወሰን እችላለሁ	4 እስማማለሁ	5 በጣም እስማማለሁ
	የድርጅቱን ተቋማዊ የሥራ ባህል ዘርፍ የሚጠቁም መሰረታዊ ባህል					
A	ድርጅቱ ምቹ የሥራ ቦታ ነው። እንደ አንድ ቤተሰብ ሆነን ነው የምንሰራው። ሰራተኞች ብዙ የሚጋሯቸው ጉዳዮች አሏቸው።					

B	የድርጅቱ አሰራር እንደ ወቅቱ ሁኔታ የሚቀየረውን ሥራ ፈጠራ ሊይ ትኩረት ያደረገ ነው። ሰራተኛው በድፍረት ለሚሰሩ ስራዎች እራሱን አሳልፎ ለመስጠት ፍቃደኛ ነው።				
C	ድርጅቱ ውጤት ተኮር ነው። ሥራ ላይ መሆን ዋናው የትኩረት አቅጣጫ ነው። እንዲሁም ሰራተኛው በጣም ተወዳዳሪና ስኬት ተኮር ነው።				
D	ድርጅቱ መዋቅራዊ ነው። ሰራተኛው ለድርጅቱ ደንቦች፣ መመሪያዎች፣ ህጎች እና የአሰራር ሁኔታዎች ይገዛል።				
የአመራር ስጫነት ባህል					
A	የድርጅቱ አመራር በአጠቃላይ ሰራተኞችን በማማከር፣ በእንክብካቤና በቀልጣፋ አሰራር ረገድ አርአያ ነው።				
B	የድርጅቱ አመራር በአጠቃላይ በሥራ እድል ፈጠራ፣ አዳዲስ ሃሳብ በማስተናገድ እና በድፍረት ውሳኔ በመስጠት አርአያ ነው።				
C	የድርጅቱ አመራር በአጠቃላይ ውጤት ተኮር በመሆን፣ ሥራን በጥራት በማከናወንና በታሪካዊ አርአያ ነው።				
D	የድርጅቱ አመራር በአጠቃላይ በማስተባበር፣ አድራጅቶ በመምራት እና በተረጋጋ ሁኔታ በመምራት ብቃት አርአያ ነው።				
የሰራተኛ አስተዳደር ባህል					
A	የድርጅቱ የሰራተኛ አስተዳደር ዘይቤ በቡድን ሥራ፣ በመግባባትና በሰራተኛ ተሳትፎ የሚገለፅ ባህርይ አለው።				
B	የድርጅቱ የሰራተኛ አስተዳደር ዘይቤ በግለሰብ ደረጃ በድፍረት በመወሰን፣ አዳዲስ ሃሳብ በማመንጨት፣ በነፃነት በመስራት እና በአይነቱ የተለየ በመሆን ይገለጻል።				
C	የድርጅቱ የሰራተኛ አስተዳደር ዘይቤ ተወዳዳሪነትን ለማበረታታት ከፍተኛ ፍላጎት ያለው በመሆኑ እና በስኬታማነቱ ይገለጻል።				
D	የድርጅቱ የሰራተኛ አስተዳደር ዘይቤ በሰራተኛ ደህንነት፣ እርስ በእርስ ሰምምነት፣ በተረጋጋ የእርስ በእርስ ግንኙነት እና በተገማችነቱ የሚገለፅ ነው።				
ድርጅቱን እንደድርጅት ያስቀጠለው ባህል					
A	ድርጅቱን እንደተቋም ያቆመው የድርጅቱ ታማኝነትና የሰራተኛው የእርስ በእርስ መተማመን ነው። በተጨማሪም ድርጅቱ ለሰራተኛው ያለው ቁርጠኝነት ከፍተኛ ነው።				
B	ድርጅቱን እንደተቋም ያቆመው ድርጅቱ ለፈጠራ እና ለእድገት ያለው ቁርጠኝነት ነው። በተጨማሪም ሰራተኛው ለሥራ ጥራት ትኩረት የሚሰጥ በመሆኑ ነው።				
C	ድርጅቱን እንደተቋም ያቆመው ድርጅቱ ለውታማነትና ግብን ለመምታት ትኩረት የሚሰጥ መሆኑ ነው። በተጨማሪም ታሪካዊና የአሸናፊነት መንፈስ የሰራተኛው የጋራ ገፅታዎች ናቸው።				
D	ድርጅቱን እንደተቋም ያቆሙት በስራ ላይ ያሉ ህጎችና ፖሊሲዎች ናቸው። እንዲሁም ተቋሙ ስራውን በቀጣይነትና በተረጋጋ ሁኔታ እንዲያከናውን ማድረግ አስፈላጊ ነው።				
የድርጅቱ ስትራቴጂያዊ ትኩረት					
A	ድርጅቱ ለሰው ሃይል ልማት፣ ለግልፅኝነት፣ ለተሳትፎ እና ለሰራተኛ መተማመን ትኩረት ይሰጣል።				
B	ድርጅቱ አዳዲስ ሃሳቦችን ማሰባሰብና ተግዳሮቶችን መጋፈጥ ላይ ትኩረት ያደርጋል። እንዲሁም አዳዲስ ነገሮችን መሞከርና				

	መልካም አጋጣሚዎችን መሻት ዋጋ ይሰጣቸዋል።					
C	ድርጅቱ ለስኬታማነትና ለተወዳዳሪነት ትኩረት ይሰጣል። በተጨማሪም የተለጠጡ ግቦችን ማሳካትና በገበያ ውድድር ማሸነፍ ወሳኝ ጉዳዮች ናቸው።					
D	ድርጅቱ ለተረጋጋ የስራ ስምሪት እና ለሰራተኛው የሥራ ላይ ቆይታ ትኩረት ይሰጣል። በተጨማሪም የሰራተኛ ብቃት ክትትል እና ቁጥጥር ስርአት አስፈላጊ ነው ብሎ ያምናል።					
የስኬታማነት መስፈርት						
A	ድርጅቱ ስኬታማነትን የሚገልፀው በሰው ሃይል ልማት፣ በቡድን ሥራ፣ በሰራተኛው ቁርባኝነት እና ለሰራተኛው በማሰብ ላይ በመመስረት ነው።					
B	ድርጅቱ ስኬታማነትን የሚገልፀው በጣም ለየት ያሉ እና አዳዲስ አገልግሎቶችን ለደንበኞቹ መስጠት መቻሉ ላይ ተመስርቶ ነው።					
C	ድርጅቱ ስኬታማነትን የሚገልፀው ገበያ ላይ በማሸነፍ እና በውድድር የበላይነቱ ላይ ተመስርቶ ነው። በተጨማሪም በገበያ ተወዳዳሪነት ብቁ ሆኖ መገኘት ቁልፍ ጉዳይ ነው።					
D	ድርጅቱ ስኬታማነትን የሚገልፀው በብቃት ላይ ተመስርቶ ነው። በተጨማሪም አስተማማኝ አገልግሎት፣ ወጥ የሆነ ፕሮግራም እና ወጪ ቆጣቢ አገልግሎት ወሳኝ ጉዳዮች ናቸው።					

ክፍል 3: የIFRS ትግበራ ፕሮጀክት ውጤታማነትን ለመለካት የሚያስችሉ ጥያቄዎች

ይህ ክፍል የድርጅቶችን IFRS ትግበራ ፕሮጀክት ውጤታማነት ለመለካት የሚያስችሉ ሶስት የመገምገሚያ ነጥቦች ይዟል ። እነርሱም የIFRS ትግበራ ፕሮጀክት በአግባቡ መጠናቀቁን የሚጠቁሙ ጉዳዮች፣ የIFRS ሪፖርት ጥራት እንዲሁም በIFRS የትግበራ ሂደትና ውጤት የሰራተኞች እርካታ ናቸው ። ስለሆነም ለተዘረዘሩት ጥያቄዎች ከድርጅቱ የIFRS ትግበራ ሂደት ጋር የሚስማማውን በመምረጥ ይህንን ምልክት (✓) ያድርጉ።

- የቀረቡ አማራጮች **1. በጣም አልስማማም** **2. አልስማማም** **3. ለመወሰን እችላለሁ**
4. እስማማለሁ **5. በጣም እስማማለሁ**

Table 4. Questions on the Success of IFRS Adoption Projects: Amharic

		1 በጣም አልስማማም	2 አልስማማም	3 ለመወሰን እችላለሁ	4 እስማማለሁ	5 በጣም እስማማለሁ
የIFRS ትግበራ ፕሮጀክት ውጤታማነት						
A	የIFRS ትግበራ ፕሮጀክት የተጠናቀቀው በታቀደለት የጊዜ ገደብ ውስጥ ነው					
B	የIFRS ትግበራ ፕሮጀክት የተጠናቀቀው ቀድሞ በታቀደለት ወጪ ብቻ ነው					
C	በIFRS የትግበራ ፕሮጀክት ሂደት ውስጥ የትግበራ መስተጓጎሎች እና መዘግየቶች አጋጥመው ነበር ።					
D	በIFRS የትግበራ ፕሮጀክት ሂደት ውስጥ ተጨማሪ የበጀት ጥያቄ ቀርቦ ነበር ።					

E	በአጠቃላይ የIFRS ትግበራ ፕሮጀክት የተጠናቀቀው በታቀደለት የጊዜ ገደብ ውስጥ እና ወጪ ነው።					
የIFRS ሪፖርት ጥራት						
A	የድርጅቱ የIFRS ሪፖርት የIFRSን ቅድመ ሁኔታና የጥራት ደረጃ ጠብቆ እንደተዘጋጀ አምናለሁ።					
B	የድርጅቱ የ IFRS ሪፖርት የድርጅቱን ትክክለኛ ቁመና የሚያሳይ ነው።					
C	ድርጅቱ የመጀመሪያው የIFRS ሪፖርት ላይ የውጭ አዲተሮችን ወይንም የAABEን ምክረሃሳብ በመውሰድ ሰፊ ማስተካከያዎችን አድርጓል።					
D	የድርጅቱ የመጀመሪያው የIFRS ሪፖርት ብዙ የቴክኒክ ግድፈቶች እንዳሉበት እገምታለሁ።					
E	በአጠቃላይ የድርጅቱ የIFRS ሪፖርት የጥራት ደረጃውን ጠብቆ የተዘጋጀ እና የድርጅቱን ትክክለኛ ቁመና የሚያሳይ ነው።					
የሰራተኞች እርካታ						
A	የድርጅቱ የIFRS የትግበራ ፕሮጀክት የታቀደለትን አላማ በአግባቡ አሳክቷል።					
B	ድርጅቱ የIFRS የትግበራ ፕሮጀክትን በተመለከተ በቂ እና ግልጽ መረጃ ለሰራተኞቹ አጋርቷል።					
C	በ IFRS ትግበራ ወቅት የተሰጡት የስራ ላይ ስልጠናዎች አጥጋቢ ነበሩ ብዬ አምናለሁ።					
D	ሰራተኛው በIFRS የትግበራ ሂደት ያካበተው ልምድ የወደፊት ሃላፊነቱን በአግባቡ እንዲወጣ ብቁ እድርጎታል።					
E	በአጠቃላይ የድርጅቱ የIFRS የትግበራ ሂደት ግቡን የመታ እና የሰራተኞቹን ልምድ እና የወደፊት ዝግጁነት ያሳደገ ነበር።					

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DEPARTMENT OF MANAGEMENT (PROJECT MANAGEMENT PROGRAM)

Appendix 3: Interview Questions

Based on the analysis result of the survey study, market and hierarchy cultures are the dominant organizational cultures in private companies in Ethiopia as compared with clan and adhocracy cultures. On the other hand, only 48% of variability in the success of IFRS adoption projects is explained by variability in organizational cultures (clan, adhocracy, market and hierarchy cultures). In addition, market and clan cultures exhibit positive and significant effect on the success of IFRS adoption projects while adhocracy and hierarchy cultures exhibit the opposite result. Bearing the above points in mind, please reflect your own opinion on the following interview questions.

Table 5. Interview Questions

	Questions	Responses
1	What is your general understanding about organizational culture and its role in projects success?	
2	What are the dominant organizational cultures in your industry?	
3	What is your general perception about the success or failure of IFRS adoption projects? Why?	
4	Why not organizational culture is not the primary reason for success of IFRS adoption projects?	
5	What are other factors for the success or failure of IFRS adoption projects besides organizational culture?	