

**FACTORS INFLUENCING EFFECTIVE USE OF EPICOR ACCOUNTING
SYSTEM IN LOCAL GOVERNMENT AUTHORITIES: THE CASE OF
KASULU TOWN COUNCIL**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
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CERTIFICATION

The undersigned certified that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation title: “**Factors Influencing Effective Use of Epicor Accounting System in Local Government Authorities: The Case of Kasulu Town Council**” in partial fulfilment of the requirements for the Degree of Master of Business Administration (MBA) of the Open University of Tanzania.

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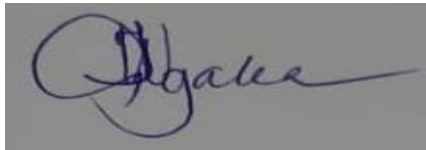
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DECLARATION

I, **Athumani M. Ngaka**, declare that, the work presented in this dissertation is original. It has never been presented to any other university or institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirements for the Degree of Master of Business Administration (MBA).



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Signature

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Date

DEDICATION

This Dissertation is especially dedicated to my father Mr. Magele Ngaka, my mother Chausiku Sanane, my son Anthony and my daughter Esther Ngaka and my spouse Raheli Lung'wecha for their hearty encouragement and tolerance.

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I thank the Almighty God that has enabled me to stay alive up to this moment when I am making this study a reality.

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ABSTRACT

Local Government Authorities (LGAs) in Tanzania are currently experiencing low performance in financial management despite adoption of computerised financial management system, Epicor. It appears Epicor is not effectively utilised. This study therefore explores the factors that influence the effective use of Epicor in LGAs. This study had three objectives; to examine the extent to which Epicor used in LGA's financial activities; to identify factors influencing the effective use of Epicor in Local Government Authorities; and to determine the association between the use of Epicor and effectiveness of LGAs. The study was conducted in Kigoma region, Kisulu Town Council as a case study. This research was underpinned on interpretivism philosophy guided by cross-sectional design. A sample size of 100 respondents was used in data collection survey. Questionnaire was adopted as data collection tool. Quantitative analysis of the findings revealed that, Epicor was mostly used in executing high quality services (4.1), preparing financial report on a timely basis (3.8), audit management (3.6), preparing LGAs budget (3.6), and in the delivery of public service (3.5), where it maximized transparency. Results also indicated that, factors influencing effective use of Epicor system were mainly classified in three categories namely extent of usage of Epicor modules, acquisition of skills, and level of attitude. Further, findings yielded that, there is significant relationship between level of Epicor usage and performance of LGAs. Effective use of Epicor has significant ($p < .05$) powerful effect on performance of LGAs as it explained 80.4% of the model variation. Furthermore, policy framework needs to be strengthened to support effective use of Epicor.

Keywords: Epicor Accounting System, Financial Performance and Staff Capacity

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LIST OF ABBREVIATIONS

AMP	Aid Management Platform
ASDP	Agriculture Sector Development Programme
CAG	Controller and Auditor General
CMT	Council Management Team
CSRP	Civil Service Reform Program
ERP	Economic Recovery Programs
IFMIS	Integrated Financial Management Information System
IPSAS	International Public Sector Accounting Standards
LAAM	Local Authority Accounting Manual
LAFM	Local Authority Financial Management
LGA	Local Government Authority
LGRP	Local Government Reform Program
MDA	Ministries, Departments and Agencies of the United Republic of Tanzania
NBAA	National Board of Accountants and Auditors Tanzania
PEFA	Public Expenditure and Financial Accountability
PO-RALG	President's Office – Regional Administration and Local Government
REPOA	Research on Poverty Alleviation
SPSS	Statistical Package for Social Science
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1 Chapter Overview

This chapter provides a context to the problem, a statement of the problem and the objectives of the study. It also includes significance of the study and scope of the study.

1.2 Background to the Study

Any organization responsible for maintaining human welfare, developing and creating wealth for the public, protecting life and assets, and promoting society through coordination and collaboration, needs sufficient financial management to attain the objectives and goals of the organization (Ferry & Murphy, 2018). The local government is one such organisation, which requires not only capital, but also expert staff and systems to handle effectively the cash that is always inadequate to fulfil its requirements. The efficient functioning of local government is rooted in finance and prudent governance (Gamayuni, 2018).

Financial management systems promote automation and integration of the procedures of government financial management (including budget formulation, implementation), accountability and reporting (such as commitment monitoring, cash/debt management, treasury) (Chalu, 2019). Such solutions can substantially enhance public operations' effectiveness and equity and provide considerable opportunity to increase involvement, transparency and accountability (Bryce, 2017).

The World Bank is one of the major providers of leading-edge expertise and significant global experience to help develop or modernize treasury schemes and create integrated financial management systems. Since 1984, 147 projects (106 finished, 33 active, and 8 pipelines) have been funded by the World Bank in 80 nations, totalling over USD 4.930 billion, for Financial Management Information Systems (FMIS) alternatives (World Bank Group, 2018). However, these efforts are still questionable as there are no evidence that reveals significant outcomes particularly in developing countries.

According to Chan (2015), Local Government Authorities (LGAs) are non-profit organisations that obtain significant amount from sources other than sale of goods and services. For instance, LGAs obtain their revenue from taxes, levies, dues and central government transfers that are principally public monies that ought to be properly accounted for. Legitimacy and good image of the government is normally reflected through LGAs, especially through good and sound financial administration, otherwise major crises may arise.

The Local Government system has a long history in Tanzania. Since 1926, when the colonial government was formed, the system underwent modifications that reflect partially the evolving domestic philosophy regarding the country's social and economic growth. The most dramatic change occurred between 1972 and 1984 when the Government, along with all the institutions that supported the Local Government system, abolished Local Authorities. After the 1982 Act on Local Government, the present Local Government system was reinstated in 1984 (Rasheli, 2016).

Ngonyani (2015) stresses that, in 1997, the Local Government Reform Program (LGRP) was launched in Tanzania as an independent program. The same year the Regional Administration underwent substantial restructuring whereby the regional level was abolished and many of the regional staffs were transferred to the Local Government Authorities (LGAs). In 1998 the government published its Policy paper on Local Government Reform Program.

According to Braathen (2005), the Local Government Reform Program (LGRP) included six main components, which aspired mainly to improve the areas of LGAs administration within the country. These were; good governance; restructuring LGAs in delivery of quality service; human resource development; legal component; support in the program management itself; and finance management.

In the component of finance management, the LGRP aimed at increasing the financial resources availability to LGAs and improve the efficiency and effectiveness in their uses. Local Government Reform Program (LGRP) introduced an integrated financial management system toolkit called “e-by-Epicor” (or simply Epicor) in 1998, the program that had to be adopted by all Local Government Authorities in the Country (Goddard & Issa, 2015).

Epicor is an accounting application system that is used by government ministries, departments and Local Government Authorities in Tanzania. The program was initiated and training of some key finance department staffs in 38 pilot LGAs was done and the program started to be implemented in 2000. By the end of 2004, 114 LGAs in the country were in full swing using Epicor based integrated financial

management system for their day-to-day execution of financial transactions (Mzenzi, 2018).

Despite numerous advantages that have arisen from the use of Epicor accounting systems, there have been, (a) reports of accounting errors, (b) delays in reporting, (c) financial misreporting and, (d) fraud in many Local Government Authorities (CAG, 2017). For instance, CAG (2017) reported on a variety of intolerable weaknesses in financial management in respect of Constituency Development Catalyst Fund (CDCF) management, as established for the purposes of LGAs development projects in CDCF Act No. 16 of 2009. These include CDCF's outstanding balance sheet amount of TZS 259,102,939, CDCF's non preparation of reports to PMORALG and community members' CDCF projects worth TZS.95, 599,000 not launched. This casts doubt whether it has been possible to enhance the efficiencies of the accounting procedures through the implementation of computerized accounting systems in Tanzania.

1.3 Statement of the Research Problem

According to Kahari (2015), all over the world there is increased determination to enhance the quality of public financial management with many developed and developing countries making vital and impressive achievements in strengthening management of finance in their public sector. In the past decade, developing countries Tanzania inclusive have been encouraged to reform their public expenditure management systems and have increasingly embarked on major projects to computerize their government operations.

Zietlow *et al.* (2018) asserts that, the effective implementation, operation and maintenance of Epicor require staff with the necessary knowledge and skills.

However, lack of capacity he argues that it is an inhibition to effectiveness of IFMIS. According to Hartikayanti *et al.* (2018), low capacity is regarded as one of the major causes of the delay in the implementation process experienced in Ghana. In Tanzania emphasis on capacity building via training was observed to be one of the primary contributors to their success. Resistance to change amongst staff was noted by Kofahe *et al.* (2019) to be a factor that could possibly derail the implementation of Epicor/IFMIS.

Kigoma region as one of the Tanzanian fast-growing regions has been reportedly to incur low LGAs performance in terms of finance management (CAG, 2017). The Controller and Auditor General's audit report of 2015/2016 stated that, assessment of effectiveness and efficiency of Epicor and other related systems among 171 LGAs noted existence of various weaknesses despite his recommendations in the previous year's audit reports. For instance, in relation to the ASDP Project audited in 2014/15, it shows that, payments, which are not being properly supported by documents, are major shortfalls in financial management. In contrast to the LAFM Order No. 8(2)(C), 2009, only TZS 470,661,014 was recorded in 25 LGAs (Kasulu Town Council being one). CAG report also shows that, inappropriately supported payments increased by TZS76, 605,318 in 2015/16 compared to 2013/14 (CAG, 2015/2016). Besides, there is no current notable report showing the main reasons behind these identified weaknesses and possible solution as the matter of reviving financial health of these LGAs.

In addition, despite the fact that, some studies have been done regarding the strengthening of financial administration in Local Government Authorities in

Tanzania (Ngonyani, 2015; Anaeli, 2018; Mgonja & Poncian, 2019), none of them are specific to Epicor accounting system. This study thus intended to review peer literature from various aspects, investigate factors influencing effective use of Epicor in the context of theory and reviewed empirical study targeted factors affecting effective use of Epicor in LGAs.

1.4 Research Objectives

1.4.1 General Objective

This study intends to examine the extent to which Epicor has facilitated financial management in LGAs in Tanzania, the case of Kasulu Town Council, Kigoma region.

1.4.2 Specific Objectives

The specific objectives of this research/study are:

- (i) To examine the extent to which Epicor has facilitated financial management in LGAs.
- (ii) To identify factors influencing effective use of Epicor in LGAs.
- (iii) To determine the effect of Epicor usage on performance of LGAs.

1.5 Research Questions

- (i) To what extent is Epicor used effectively in Tanzania LGAs?
- (ii) What are the factors influencing effective use of Epicor in Tanzania LGAs?
- (iii) To what extent usage of Epicor in LGAs affect performance of LGAs?

1.6 Significance of the Study

This research is expected to explore the factors that influence effective use of Epicor in local government authorities. The results of this study will lead to the body of

knowledge of factors related to effective use of Epicor. Also, the findings of the study enrich the body of knowledge in financial administration regarding effective use of Epicor and form a basis for further research. There are so many issues regarding Epicor use, so the study may be considered as a starting and further research may be conducted.

The outcomes of the study may help various users and stakeholders pay much attention on the issue. Factors influencing effectiveness, effects and challenges caused by influence on ineffective use of Epicor may be used as an input to process information for economic decisions of the LGAs or for future intensive researches regarding Epicor program usage effectiveness, effects and challenges faced by various users of the program. Research data and information obtained in this study acts as a reference to other researchers in the relevant field. To the public; the study may be useful in knowing how effective use of Epicor is beneficial to public employees and other accounting package users.

1.7 Scope of the Study

This study assesses the factors that affect Epicor's effective use in Tanzania, with a particular emphasis being given to local governments (LGAs) in the Kigoma region. The study focused on Kasulu Town Council.

1.8 Organization of the Report

In this report, chapters were organized as follows: Chapter one presents the initial part that includes, the background to the study, and statement of the problem, study objectives, research questions and scope. Chapter two include literature review,

conceptual definitions, and critical review of supporting theories, empirical analysis of relevant studies, research gap identification, and analytical/conceptual framework, theoretical framework and summary. Chapter Three comprises of Research design and methods (Research methodology): Overview, research strategies, survey population, area of the research or survey, sampling design and procedures, variables and measurement procedures, methods of data collection, and data processing and analysis. In Chapter four the study results are analysed and presented; in Chapter five the results are summarized, discussed, concluded, recommended and proposed fields of further investigation. The final section of this research includes references and appendices with tools used in data collection.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

In this chapter, conceptual definitions; critical review of supporting theories or theoretical analysis; empirical analysis of relevant studies; research gap identification; analytical/conceptual framework and theoretical framework are presented.

2.2 Conceptual Definitions

2.2.1 Epicor Accounting System

Epicor is software, which offers Local Government Authorities (customers) with excellent service (Deloitte, 2012). It centralizes data and has the ability to integrate with other systems. Epicor offers the best accounting and reporting solutions to Local Government Authorities. The system uses different modules namely budget management, Fund management, General ledger Accounts payable, Accounts receivable Cash management, Purchase order and System manager.

Epicor accounting system role is to connect, accumulate, process, and then provide information to all parties in the whole payment system on a continuous basis, (Deloitte, 2012). All parties in the system need to be able to access the system, and to derive the specific information required to fulfil their various functions. The system ought to provide the required information. Further, by automating procedures and internal controls, it strengthens financial controls and promotes accountability (Maliti, 2011).

2.2.2 Financial Performance

Financial performance in the wider sense refers to the extent of achievement of financial objectives. It is the process of monetary measurement of outcomes from Local Government Authorities' policy and operations (Gartenberg *et al.*, 2019).

2.2.3 Staff Capacity

Staff capacity is the specific ability of a person/individual mentally, physically and psychologically measured in quantity and level of quality over an extended period. With regards to LGAs, it is the staff capacity to use Epicor effectively to accomplish tasks on time. Relevant skills are the ones that are effective and coping (Narbon-Perpina & De Witte, 2018).

2.2.4 Skills

Effective skills are defined as the ability to successfully translate the managerial or technical skills into appropriate use, whereas coping skills enable the person to become reasonably comfortable, or at least survive, by adopting the use of new technology (Manoharan & Ingrams, 2018). Ramsay *et al.* (2018) asserts that, effective implementation, operation and maintenance of Epicor require staff with necessary knowledge and skills. Effective use of Epicor is expected to be used in day-to-day execution of financial transaction and provision of accurate and reliable data/information for economic decision making.

2.3 Critical Review of Supporting Theories or Theoretical Analysis

In order to get a wider picture about the factors influencing effective use of Epicor system in Local Government Authorities in Tanzania, review of the related theories was done.

2.3.1 Technology Acceptance Model (TAM)

Eija (2011) argues that, TAM is the most cited and was formulated by Davis (1989) with the aim to predict and explain ICT usage behaviour, that is, what causes potential adopters to accept or reject the use of information technology. Eija further comments that, theoretically, TAM is based on the Theory of Reasoned Action (TRA), which was developed by Davis et al. (1989).

As per Davis (1989), TAM, has two theoretical constructs, perceived usefulness i.e. autonomy (the benefit for the user to use the tool for the intended task) and perceived ease of use i.e., competence (being effective in dealing with the environment where it is used). These are the fundamental determinants of system use, and predict attitudes toward the use of the system, that is, the user's willingness to use the system (Davis, 1993).

Davis (1989) clarifies that, perceived usefulness refers to “the degree to which a person believes that using a particular system (e.g. Epicor), would enhance his or her job performance”, and perceived ease of use refers to “the degree to which a person believes that using a particular system would be free of effort.

TAM was used in three different ways, namely to compare different adoption models, develop extensions of TAM, or replicate the model. For instance, Davis *et al.* (1989) empirically compared the ability of TRA and TAM to predict and explain the acceptance and rejection by users of the voluntary usage of computer-based technology; Venkatesh and Davis (2000) developed and tested a theoretical extension of TAM, referred to as TAM2, which explains perceived usefulness and usage intentions with the help of social influence and cognitive instrumental processes.

This theory was adopted to establish the link between effective use of Epicor accounting system and performance and LGAs performance. The theory regards influence of an individual on using a particular technology is largely driven by perception. This theory is likely to explain the effective use of Epicor in LGAs in Tanzania.

2.3.2 Theory of Reasoned Actions (TRA)

TRA is another widely cited theory developed by Fishbein and Ajzen (1975) and originated from social psychology. TRA defines the links between the beliefs, attitudes, norms, intentions, and behaviours of individuals. It assumes that, a person's behaviour is dependent on his or her person's behavioural intention to perform his or her attitudes and his or her subjective norms towards the behaviour (Ajzen, 2012).

The subjective norm refers to “the person's perception that most people who are important to him think he should or should not perform the behaviour in question” (Ajzen & Fishbein, 1977). Ajzen and Fishbein's (2005) focused on the prediction and

understanding of human behaviour to help in solving applied problems and making policy decisions.

Adoption of this theory was underpinned by the fact that, it connects effective use of financial management system, that is, Epicor, with users' behaviours and attitude. When a system user has negative attitude towards using Epicor, it determines the less effective usage of the system. Besides, users' behaviours such as regular access to the use of Epicor influence effective use of the systems in terms of competence, skills, and experience.

2.4 Empirical Analysis of Relevant Studies

2.4.1 Factors Affecting Effective use of Financial Management Systems /Epicor

Baby (2016) points out that, accounting information system is vital to all organizations and perhaps, every organization either profit or non-profit oriented need to maintain an accounting information system as no organization is exempted from decision making in its operations. Although the study is about the use of accounting information system in Banten Hospital, in Indonesia, it can also directly be related to the present study.

Cooke and Leydesdorff, (2006) observes that, knowledge economy is focused mainly on human potential (and also capital) and emerges within the context of the economic analysis of the quality of the input factors in the production/service provision processes. On the other hand, knowledge-based economy has added the structural aspects of technological trajectories and regimes from a systems perspective that leads to discussions on intellectual property rights as another form of capital and focuses

directly on the production, distribution, and use of knowledge and information. The use of Epicor in Local Government Authorities is technology-based knowledge. The concept of a knowledge-based economy is simply a concept that serves to direct the attention of policy-makers to science and technology issues as well as knowledge-intensive activities. Policy makers in Local Government Authorities are different ministries including Presidents' Office-Regional Administration and Local Government Authorities (PO-RALG), the National Board of Accountants and Auditors (NBAA); and other interested parties. Thus, knowledge and its creation, dissemination and usage (specifically for generating innovations) provide critical sources of competitive advantage.

2.4.2 Studies in African Countries

Abiso (2018) in his case study of Kala Balge Local Government Council, Maiduguri, Nigeria, gives the history of electronic commerce; i.e. the concept of Electronic commerce (E-commerce) that predates the Internet. Both Epicor and e-commerce use computers and computer technology and the technology has to be applied effectively to enable users achieve their objectives.

Abiso further in his study of "adoption of electronic commerce technology in Emerging nations: a conceptual review of the literature" reviewed articles published in archival literature to establish the concept of electronic commerce technology in emerging nations, whereby Nigeria, Slovakia, Malaysia, South Africa, Kenya, Ghana and Oman were reviewed. The study further mentioned culture, infrastructure, fraud and security concern, perceived risk, public policy support and legal uncertainties to

be some of the barriers to the adoption of the technology (electronic commerce) in developing countries. This case can be directly compared to Epicor use as they both involve the use of technology and Tanzania is a developing country. Different technologies like electronic commerce and Epicor usage are essential to any nation or business. They are likely to facilitate industrialisation process as emphasized by the current leadership.

Deloitte (2012) talked of the implementation of Epicor accounting application system using case study of Malawi Public Sector Organisations with the purpose of identifying the circumstances required under which ICTs can be applied successfully (quick wins), thus creating opportunities for transformation in other African countries.

Deloitte concluded that, first the Malawian draft ICT policy provided a framework that could be successfully used in other countries, and cannot be readily embraced as a policy framework for Malawi alone. Secondly, large ICT projects require buy-in at the highest levels of government, but also at the lowest levels of those expected to manage it.

Kahari *et al.* (2015), assessed factors affecting implementation of Integrated Financial Management Information System (IFMIS) in the Kenya Public Sector. The study targeted 70 employees as the population and employed descriptive survey research design. The results indicate that, there exists a strong, negative and statistically significant relationship between staff resistance and IFMIS implementation; and that there exists a strong, positive and statistically significant relationship between capacity and skills of IFMIS users and its implementation.

It was recommended that; county government should uphold the strategic plan that identifies all the constraints that derail implementation of IFMIS. The study further recommended that county government should focus on reinforcing capacity in the IFMIS project team and ensure continuity of key personnel in the system's development and implementation.

Nganga (2014) observed that, the cost of implementing IFMIS was a challenge. So, it was recommended that the Ministry of Finance should increase the budget for IFMIS implementation in order to roll out the program in all Government Ministries in Kenya.

Mwithiga *et al.* (2017) examined the relationship between IT Integration, Business Operation Strategy, effect of Business Operations Strategy on firm performance. The study was guided Dynamic Capabilities theory. Their results showed that, a statistically significant direct relationship between IT integration and business operations strategy on firm performance. Also results revealed that, relationship between IT integration, business operations strategy and firm performance is moderated by firm characteristics

2.4.3 Empirical Studies in Tanzania

Mzenzi (2015) explored the adoption and implementation of Epicor accounting application system using one LGA as a case study. The study used interviews with key individuals involved in the adoption and implementation of the accounting systems in the LGAs, including accountants, internal auditors, external auditors, and

technical staff at the parent ministry and he used New Institutional Sociological (NIS) theoretical framework. Mzenzi found that, coercive pressure, conformity and legitimacy from the Government and donors were responsible for the adoption of the system.

He further observed the implementation of the system in the Tanzanian LGAs was encircled by a number of technical challenges some of them being competence of system users, limited functions of the system, unreliable power supply, system maintenance costs, poor network connectivity, and remotely, self-interest behaviour of some councils 'officials. As a result, the system was not effectively integrated in the Councils' operations and the manual system of accounting was predominantly used. The study concluded that, the maximum potentials of the system can only be realized when there is supporting technical environment for the implementation of the system in the Tanzanian LGAs.

Miraji (2010) made a study by interviewing 35 accountant respondents on grounds of age, level of education and service period. Her aim was to evaluate the implementation of the Integrated Financial Management System (IFMS) in Tanzania. On the issue of system usage Miraji points out that, majority (73.3%) of the respondents had a positive attitude towards the implementation of IFMS, this was an indication of a good system usage and hence an improved performance. Usage was based on the user matrix that identifies what access has to be granted to which role.

Her study concludes by showing out the necessity of intensive training to Epicor users. Criteria which were used include training, data approval, report production,

report interpretation and final accounts preparation. Training on report interpretation was necessary (86.7%), followed by training on preparation (63.3%).

Irura and Dimunzio (2015) point out that, in government, IFMIS depicts the automation of public financial management (PFM) processes. These include budget preparation and execution, accounting as well as reporting. The Aid Management Platform (AMP) is also defined and elaborated as a web-based application tool designed to improve aid data collection to enable better management and coordination of development assistance in Tanzania. It is used by both the Government of Tanzania and Development Partners (DPs) in managing development assistance; and helps to track and report on such assistance financial flows.

Irura and Dimunzio (2015) continue in their assessment report aimed at documenting the findings as well as providing a technical approach and recommendations that were necessary for the successful integration of IFMIS and AMP by the Government of Tanzania and also provision of a means to examine the different databases that comprise IFMIS that would be integrated.

Ligora (2013) assessed the effectiveness of accounting systems in Tanzania government institutions. The study involved 108 respondents from the population of 2500 employees. Ligora found that, effectiveness of the Tanzania Government computerized accounting system (EPICOR) was not ranked as most effective due to number of challenges. The challenges were inadequate computer skills among employees, lack of competent personnel, limited scope of internal control system, low legal enforcement and frequent updates in standards. Ligora concludes that, many

employees in accounting departments in public sector are not IT experts or computer engineers hence high possibility of doing the so called ‘garbage in garbage out-GIGO’ i.e., wrong entry of data in the application system-Epicor and eventually wrong reports.

2.5 Research Gap

Considering the reviewed peer literature from various aspects, it is evident that, most of the factors affecting effective use of Epicor discussed did not capture the relationship between level of Epicor usage and performance of LGAs. None of the studies reviewed by a researcher investigated factors influencing effective use of Epicor in the context of theory. (Technology Acceptance Model and Theory of Reasoned Actions).

In addition, none of the reviewed empirical study targeted factors affecting effective use of Epicor in the context of Kasulu Town Council. The findings of this study are likely to generate factors related to the effectiveness of Epicor accounting system and in this way, improve our theoretical knowledge of the theory guiding this study.

2.6 Conceptual Framework

Conceptual framework is a diagrammatic or graphical representation of interrelated concepts that depicts the link between the objectives of the study and the process flow for the matter under study (McGaghie *et al.*, 2001). In this study, relationship of the conceptual variable was explained by four independent variables and one independent variable. Capacity of Epicor users, resistance of Epicor users, extent of usage of Epicor modules, and skills of Epicor users were independent variables whereas

effective use of Epicor was regarded as dependent variable of the study as portrayed on Figure 2.1. This relationship was analysed using multiple linear regression guided by the following equation.

From

$$Y = \alpha + x_1\beta_1 + x_2\beta_2 + \dots + x_n\beta_n + \varepsilon$$

Then,

$$y = \alpha + CEU\beta_1 + REU\beta_2 + EEM\beta_3 + SEU\beta_4 + \varepsilon$$

Where,

$Y =$ Effective of Epicor

$CEU =$ Capacity of Epicor Users

$REU =$ Resistance of Epicor Users

$EEM =$ Extent of usage of Epicor Modules

$SEU =$ Skills of Epicor Users

$\alpha =$ Constant

$\varepsilon =$ Standard Error

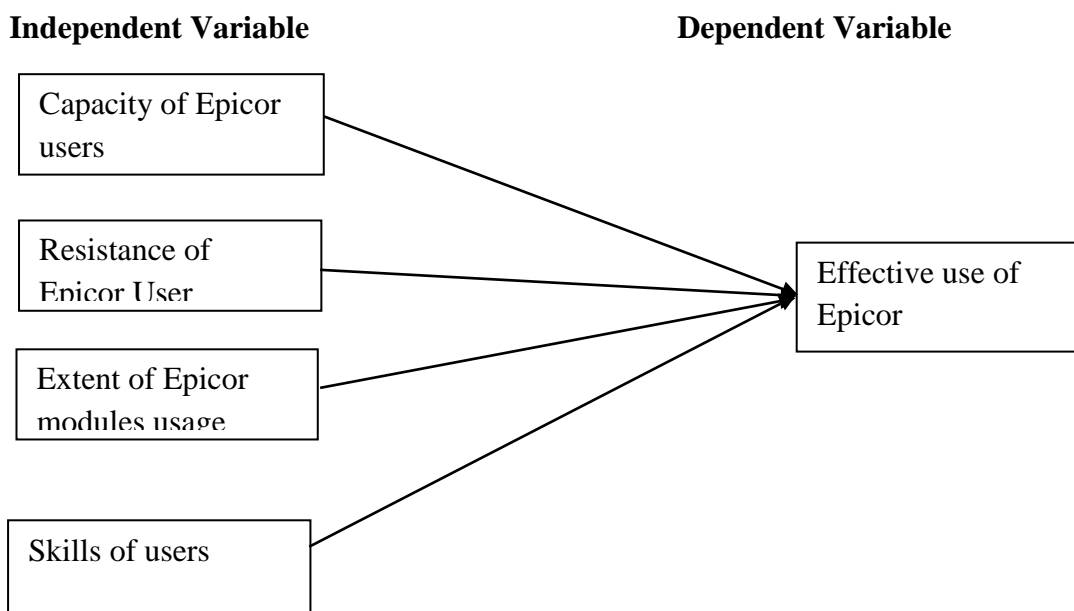


Figure 2.1: Conceptual Framework of the Study

Source: Author (2019)

402.6.1 Definitions of Variables**412.6.1.1 Capacity of Epicor User**

Refers to fitness, ability, power, or competency of a person to use Epicor system modules.

422.6.1.2 Resistance of Epicor User

Refers to an opposition that a person shows towards use of Epicor system modules.

432.6.1.3 Skills of Epicor User

Refers to the potential of person to carry out any Epicor system operation with certain outcomes often in a certain amount of time, resources or both.

44CHAPTER THREE

45RESEARCH METHODOLOGY

463.1 Overview

In this chapter of methodology; issues of research strategies, survey population, area of the study, sampling design and procedures, variables and measurement procedures, data collection instruments, and data analysis techniques are discussed.

473.2 Research Philosophy

Research philosophy is about knowledge creation through data collection, analysis and utilization of the results. Research philosophy has many branches related to a wide range of disciplines. In the scope of business studies in particular there are four main research philosophies namely: pragmatism, positivism, realism and interpretivism (Moon *et al.*, 2019).

483.2.1 Pragmatism Research Philosophy

Creswell (2014) stresses that; pragmatism research philosophy is the one that accepts concepts to be relevant only if they support action. For instance, it recognises that there are many different ways of interpreting things and undertaking research, that no single point of view can ever give the entire picture and that, there may be multiple

realities. The philosophy employs mixed or multiple method designs, quantitative and qualitative data collection method. Research question is the most important determinant of the research philosophy. Pragmatics can combine both, positivist and interpretivism positions within the scope of a single research according to the nature of the research question as it is the case for the architects that use whatever materials and methods needed to build a building, they schemed in the building plan (Shusterman, 2016). This philosophy uses whatever combination of methods necessary to find answers to research questions. It uses method or combination of methods that advances specific research in the best possible manner.

493.2.2 Positivist Philosophy

According to Mack (2010), positivist philosophy generally attempts to test theory and is most commonly aligned with quantitative methods of data collection and analysis; so, they are usually quantitative research. The popular data collection method is highly structured, large samples, measurement, quantitative (Johnson & Onwuegbuzie, 2004; Creswell, 2014).

503.2.3 Interpretivism Philosophy

Interpretivism philosophy inquires generation or inductively development of a theory or pattern of meaning. The philosophy uses data collection methods that are small, but in-depth investigations so as to gain in-depth insight into the lives of respondents, to gain an empathic understanding of why they act in the way that they do and qualitative. Interpretivism philosophy to social research would be much more

qualitative, using methods such as unstructured interviews or participant observation (Holden & Lynch, 2004).

513.2.4 Realism Research Philosophy

Realism research philosophy relies on the idea of independence of reality from the human mind. This philosophy is based on the assumption of a scientific approach to the development of knowledge. It uses data collection method that fits the subject matter, quantitative or qualitative. Realism is divided into two groups: direct and critical (Dobson, 2001).

Direct realism, also known as naive realism, can be described as “what you see is what you get” portrays the world through personal human senses. Direct realists accept the world as relatively unchanging. They concentrate on only one level, be it individual, group or an organisation (Saunders *et al.*, 2015). On the other hand, critical realism argues that humans do experience the sensations and images of the real world and can be deceptive and they usually do not portray the real world. The philosophy appreciates the importance of multi-level study the influence and interrelationship between the individual, the group and the organization (Novikov & Novikov, 2013).

523.2.5 Research Philosophy Chosen

Positivism and interpretivism are two extreme mutually exclusive paradigms about the nature and sources of knowledge. Petty *et al.* (2012) noted that, the choice between positivism and interpretivism has an impact on the empirical research strategy, since the former dictates that the researcher takes the role of an observer, while the latter

dictates that the researcher gains knowledge by participating in the subject of the empirical study.

Thus, for the purpose of this research, the positivism philosophy was used. The justification for this choice is that the aim of this research is to allow concepts to emerge from field data, using documentation, interviews and questionnaires, with regards to the factors that influence effective use of Epicor in local government authorities, which requires participation in the subject of study.

533.3 Research Design

The design of research is defined as a collection of assignments organized for the collection, measurement and analysis of data in a logical order (Kothari, 2004). It examines a suitable strategy for collecting and analysing data and identifies data sources relevant to the study issue. This study uses cross-sectional design as a methodology for research design. It is the sort of study model in which whole populations or a sub-set are chosen for study questions of concern in the data set (Olsen *et al.*, 2004).

543.4 Survey Population

Population of the study involved staffs who uses Epicor system in LGAs. These included accountants and Epicor system support staff. Population also involved, the head of Finance and Accounting department; Human Resources department, Information Communication and Technology (ICT), and other beneficiary staffs. Total number of the targeted population was 150 staffs.

553.5 Area of the Research

The study was carried out in Kigoma region particularly in one LGA of Kasulu Town Council. The choice for this geographical area was based on the fact that, the LGA draws employees from diverse social, cultural, educational and economic background with varied perceptual orientations. It is therefore presumed that, these employees may hold representative opinions on how staff capacity, possession of desired skills; resistance of staff and use of less modules and its impact on the sustenance of Epicor in LGAs.

The choice of one LGA is due to the time and financial constraint even though it is assumed that the LGA can provide the researcher with optimal sample size. Kigoma region has eight LGAs (Kakonko, Kibondo, Uvinza, Buhigwe, Kigoma, Kasulu DC, Kasulu TC and Kigoma/ Ujiji Municipal) and are all installed with Epicor system.

563.6 Sampling Design and Procedures

Of the interviewees, accounting department staffs representing each category (age, gender and education qualification) were given questionnaires. Other respondents were staff from ICT, Planning, and Human Resources departments. The sample was chosen randomly from each category of users with respect to study specific objectives.

573.6.1 Sample Selection and Sample Size

Mathematical formula was used to obtain a sample size of the study. Senso (2017) suggests a simplified formula of Yamane for calculation of the required sample size as it is clearly stated in Yamane (1967).

The formula:
$$n = \frac{N}{1 + N(e)^2}$$

Where;

n: is the sample size

N: is the population size,

e: is the level of precision, sometimes called sampling error or margin of error.

So far, if $N = 150$, and $e = .05$.

Then, calculated sample size was

$$150/1+150(.05)^2 = 100$$

Hence, number of respondents was 100

583.6.2 Sampling Frame and Techniques

A researcher used a simple random sampling procedure to select study participants. This technique suggests that, all respondents in the population are similarly likely to be selected for a survey (Adam & Kamuzora, 2008). Random sampling technique was used during the survey to pick 100 respondents out of population of 150 LGAs staffs. Using Microsoft excel, a random participation code was generated and distributed to the staffs. The LGA staff that selected a participation code was requested to participate in the survey. Sampling frame is shown on Table 3.1.

Table 3.1: Sampling Frame of the Study

No	Category	Number of Respondents
1	Heads of Departments	10
2	Other employees (5 staffs from each unit which uses Epicor system)	90

593.7 Methods of Data Collection

603.7.1 Questionnaire

Questionnaire may be described as a tool for data compilation, which consists of the question form for the respondents in the field of studies (Brace, 2018). It includes a particular type of discussion (Geuens& De Pelsmacker, 2017). Kothari (2004) argues that the questionnaire has a number of merits, including low-cost, even when geographical region is widespread and bias-free, since its own words are based on the participants, adequate time to respond and an appropriate instrument for getting difficulty participants. In this specific research, the surveyor embraced a questionnaire as a tool for data collection.

613.8 Data Processing and Analysis

The computer package-Statistical Package for Social Science (SPSS) was used in analysis and processing of data into useful results. SPSS is an application system that carries out a wide range of statistical techniques by offering advanced data manipulation. Descriptive statistics were used to analyse the objectives. In specific, frequency and percentage were used to analyse the first objective whereas mean (central measure of tendency) and standard deviation (measure of dispersion) were used to determine the factors influencing effective use of Epicor which is the second objective. Inferential statistics were used to analyse the third objective in which multiple linear regression was employed to determine the association between effective use of Epicor and performance of LGAs. Multiple linear regression is modelling technique used to determine simultaneous relationship of several independent variables and one continuous variable (Eberly, 2007). It is used to predict the values of outcome variable Y, provided set of independent variables (i.e. x1, x2...)

(Tranmer & Elliot, 2008). Before running the analysis, assumptions of multiple regressions were tested. These were; linearity, normality, autocorrelations, and multicollinearity. Regressions model was developed basing on general equation of regression as follows;

From

$$Y = \alpha + x_1\beta_1 + x_2\beta_2 + \dots x_n\beta_n + \varepsilon$$

Then,

$$y = \alpha + CEU\beta_1 + REU\beta_2 + EEM\beta_3 + SEU\beta_4 + \varepsilon$$

Mugenda (2008) refers data processing as the operations performed on a certain set of data with the view of extracting the required information in an appropriate form such as diagrams, reports, and tables. They stress that, data analysis is a process of creating order, structure and meaning to the data collected. Responses on the study variables constituted factors on a 5-point Likert scale. After the collection of the data, processing and analysis followed.

623.9 Ethical Considerations

Data accessed and collected was wholly and exclusively used for research purposes only. Confidentiality of participants data and copyrights of different authors were adhered to. In addition, responses were collected from participants voluntarily.

633.10 Validity and Reliability

643.10.1 Validity of Research Tools

Validity of measurement is defined as the ability of a scale or tool to measure what is supposed to be measured. It is the accuracy and truth of the data and findings that are

produced (Msabila & Nalaila, 2013). Also, Krishnaswami (1993) defines validity as the effectiveness/success of an instrument in measuring the specific property, which it intends to measure.

To guarantee the validity of the data instruments, researchers performed test-retest pilot research. Twenty questionnaires were circulated to the participants and administered. Following the same procedure, the same participants were repeated after one week. Results indicated that, same responses were given in the questionnaire thus implying the validity of the tools. The pre-testing of data collection tools is important because it ensures validity before the major survey (Lee et al., 2016).

653.10.2 Test of Reliability

Reliability of a research tools is the measure of the degree or extent to which a research instrument yields consistent results of data after repeated trials. Reliability has to do with the quality of measurement, (Msabila & Nalaila, 2013). The measurement is reliable if it provides the same results or consistent results on different trials and times.

Msabila and Nalaila suggest that, internal consistency is measured with Cronbach's alpha, a statistic calculated from pair wise correlations between items and it ranges between zero and one. The results of the experiment on Table 3.2 showed that, Cronbach's coefficient of all variables was over 70 percent as a statistically correct data collection instrument. Reliability coefficient 0.7 or higher is considered acceptable in majority of social science research (Seekeran, 2004).

Table 3.2: Reliability Analysis

Item	Number of Respondents	Cronbach's Alpha	Number of items
Level of usage	100	0.821	8
Factors influencing effective use of Epicor	100	0.881	15
Performance of LGAs	100	0.911	5

66CHAPTER FOUR

67PRESENTATION OF THE FINDINGS

684.1 Introduction

This section analyses, provides and discusses data on factors influencing effective use of Epicor accounting system in local government authorities. The findings are structured into parts, which reflect the study's primary and specific objectives.

694.2 Summary of Demographic Characteristics of the Participants

Table 4.1 illustrate the summary of various characteristics of respondents including gender, age, educational level, marital status, and experience. Specifically, it was found that, majority of participants were female (57%) compared to their male counterparts (43%). Of these, 37% were aged between 21 and 30, 29% (31 and 40), 22% (41 and 50), and 12% were above 50 years old. Descriptive statistics of education level shows that, 56% had undergraduate education, whereas 23% were

postgraduate certificate holder, and 21% had college education. 67% were single while 33% were married. Nevertheless, experience shows that, 47% have working experience above 6 years, 21% have between one and two years, 18% have between three and four years, and 14% have between five and six years.

704.3 The Extent to which Epicor has Facilitated Financial Management in LGAs

Analysis of this objective was conducted using descriptive statistics. The degree of using Epicor accounting package was based on usage frequency whereas total percentage of variable from average used to most frequency used was taken into consideration as shown on Table 4.2.

Table 4.1: Descriptive Statistics showing Demographic Characteristics

Variable	Category	Frequency	Percent
Gender	Male	43	43.0%
	Female	57	57.0%
Age	21-30	37	37.0%
	31-40	29	29.0%
	41-50	22	22.0%
	Above 50	12	12.0%
Education Level	College	21	21.0%
	Undergraduate	56	56.0%
	Postgraduate	23	23.0%
Marital Status	Single	67	67.0%
	Married	33	33.0%

Experience		
1 year – 2 years	21	21.0%
3 years – 4 years	18	18.0%
5 years – 6 years	14	14.0%
Above 6 years	47	47.0%

Source: Field Data, (2021)

It was revealed that, Epicor was mostly used in supplying high quality services (96%), preparing financial report on a timely basis (95%), letter of audit management (93%), preparing LGAs budget (90%), and in the delivery of public service where it maximises transparency (90%). Further, results indicate that, Epicor system was mostly used to monitor and report LGA cash flow (89%), management and coordination of LGAs assets (88%), budget implementation (86%), track down and report all LGA expenditures (83%), and interpretation of financial reports in LGAs (57%).

Table 4.2: Descriptive Statistics showing level of Epicor system usage in LGAs

Variable	Not used (1)		Sometimes used (2)		Average used (3)		Frequent used (4)		Most frequently used (5)	
	F	%	F	%	F	%	F	%	F	%
Prepare financial reports on a timely basis.	1	1.0	4	4.0	28	28.0	50	50.0	17	17.0
Track down and report all LGA expenditures	3	3.0	14	14.0	33	33.0	39	39.0	11	11.0

In the delivery of LGA public services, Epicor enhances transparency	2	2.0	8	8.0	39	39.0	45	45.0	6	6.0
Fewer queries in the letter of audit management	3	3.0	4	4.0	36	36.0	44	44.0	13	13.0
High quality service supplies	-	-	4	4.0	21	21.0	33	33.0	42	42.0
Preparedness of the budget in LGAs	-	-	10	10.0	36	36.0	37	37.0	17	17.0
Epicor improved budget implementation	1	1.0	13	13.0	29	29.0	38	38.0	19	19.0
Monitor and report LGA cash flows with Epicor	1	1.0	10	10.0	32	32.0	43	43.0	14	14.0
Improved management and coordination of LGAs assets	7	7.0	5	5.0	54	54.0	22	22.0	12	12.0
Interpretation of financial reports in LGAs	9	9.0	34	34.0	38	38.0	11	11.0	8	8.0

These results align with Mzenzi (2015) on the fact that, Epicor accounting package tend to be frequently used on facilitation of financial and budget controls in local government authorities. Similarly, Ngonyani (2015) supports current findings in the manner that, LGAs frequently use Epicor system for preparing financial reports but rarely for interpretation of those reports due to level of expertise required to perform such a task.

714.4 Factors influencing the effective use of Epicor in Local Government Authorities

This objective was analysed using descriptive statistics by employing mean and standard deviation. Factors influencing effective use of Epicor accounting system

were presented in three facets namely; capacity, skills, and attitude as presented on Table 4.3, Table 4.4, and Table 4.5.

724.4.1 Factors Associated with skills of Epicor Users

Mean score was applied to determine the most likely factors influencing effective use of Epicor in regards to possession skills among users. Variables, which attained highest mean score, were accounted as the most effective one. As depicted on Table 4.3, results show that, LGAs are mostly affected by Epicor users with low computer skills ($M=4.6$). Notwithstanding, LGAs were revealed to lack extensive Epicor training programmes ($M=4.2$) and suffered from insufficient additional expertise due to frequent updates of Epicor system versions ($M=4.1$). Other factors affecting effective use was lack of requisite software skills among Epicor users ($M=3.9$) and inadequacy of competent Epicor system operators ($M=3.6$).

Table 4.3: Descriptive Statistics showing Factors Associated with users' Skills

	N	Minimum	Maximum	Mean	SD
Epicor users lack the requisite software skills.	100	2.00	5.00	3.8900	.82749
LGAs do not have extensive Epicor training programs.	100	1.00	5.00	4.1900	.90671
Epicor users in LGAs have low computer skills.	100	1.00	5.00	4.6100	.75069
LGAs are without competent Epicor system operators.	100	1.00	5.00	3.5800	1.07478
The system requires additional expertise in frequent modifications (updates) of Epicor versions.	100	3.00	5.00	4.0700	.60728

734.4.2 Factors Associated with User's Capacity

Table 4.4 illustrates that, the factor which picked highest mean score was poor capacity to meet excessive maintenance expenses ($M=4.6$), followed by failure of LGAs to deal with bad Epicor network connectivity ($M=4.5$), and failure to meet implementation cost of proper ICT system ($M=3.8$). LGAs were also found to lack the capacity to absorb the perceived risks associated with Epicor's adoption ($M=3.6$) and lack of the necessary ICT policy framework in LGAs ($M=3.6$).

744.4.3 Factors Associated with Users' Attitude

As portrayed on Table 4.5, factors associated with users' attitude, which mostly constrained effective use of Epicor system, were ranked in a basis of mean score. Results show that, some users did not believe whether Epicor system saves time at work ($M=4.3$). Some users were also found to resist the use of Epicor system as they could not quickly notice advantage of the system changes ($M=4.3$). In addition, some users showed negative attitude on using Epicor system with perception that, the system do not improve work performance ($M=3.8$) and slowdown greater control over work ($M=3.3$). Moreover, some LGAs staffs were unwilling to adopt the use of Epicor system ($M=3.0$).

Table 4.4: Descriptive Statistics showing Factors Associated with Users' Capacity

Variable	N	Minimum	Maximum	Mean	SD
LGAs cannot meet the corresponding costs to implement the proper LGAs ICT system.	100	2.00	5.00	3.8400	.73471
LGAs do not have the capacity to absorb the perceived risks associated with Epicor's adoption.	100	1.00	5.00	3.5500	.80873
LGAs are poorly capable of meeting excessive maintenance expenses.	100	2.00	5.00	4.6200	.86199

LGAs are not able to deal with bad network connectivity.	100	2.00	5.00	4.4700	.77140
There is a lack of the necessary ICT policy framework in LGAs.	100	1.00	5.00	3.5900	1.17288

Table 4.5: Descriptive Statistics showing Factors Associated with Users' Attitude

Variable	N	Minimum	Maximum	Mean	SD
LGAs staffs were unwilling to adopt the use of Epicor	100	1.00	5.00	3.0400	1.00423
The users of LGA Epicor resisted because they couldn't see the 'quick wins' showing the advantages of the change.	100	2.00	5.00	4.2900	.76930
Using Epicor system slowdown greater control over work	100	1.00	5.00	3.3400	.99717
Using Epicor do not improve work performance	100	2.00	5.00	3.8300	.75284
Using Epicor system saves time to conduct work	100	3.00	5.00	4.3200	.56640

754.5 Influence of Level of usage on Effective use of Epicor

The effect of using Epicor accounting system on effective use of Epicor was determined by employing multiple linear regression modelling technique. This technique establishes relationship between one dependent variable and two or more independent variable. Before the analysis, test of the four multiple regression assumptions was carried out.

764.5.1 Assumption of Multiple Linear Regression

This test was conducted using Pearson correlations to verify that the relationship between dependent and independent variables has a linear structure. Results indicated that, effective use of Epicor have significant correlation ($p < .05$) with, skills, $r(100) = .33$, capacity, $r(100) = .25$, and resistance of Epicor users, $r(100) = .90$. However, extent of Epicor modules usage, $r(100) = .06$ yielded no significant correlation ($p = .54$) as shown on Table 4.6.

Table 4.6: Linearity Test

		Skills of Epicor User	Extent of Epicor Modules Usage	Capacity of Epicor User	Resistance of Epicor User	Effective use of Epicor
Skills of Epicor User	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	100				
Extent of Epicor Modules Usage	Pearson Correlation	.051	1			
	Sig. (2-tailed)	.615				
	N	100	100			
Capacity of Epicor User	Pearson Correlation	-.177	.058	1		
	Sig. (2-tailed)	.079	.568			
	N	100	100	100		
Resistance of Epicor User	Pearson Correlation	.434**	.084	.159	1	
	Sig. (2-tailed)	.000	.403	.115		
	N	100	100	100	104	
Effective use of Epicor	Pearson Correlation	.332**	.062	.250*	.897**	1
	Sig. (2-tailed)	.001	.543	.012	.000	
	N	100	100	100	100	100

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

* . Correlation is significant at the 0.05 level (2-tailed).

774.5.2 Normality Assumption

This assumption checks whether the values are normally distributed in independent variables. The assumption was met by skewness and kurtosis testing. As shown in Table 4.7, all variables were normally distributed as their coefficient of skewness and kurtosis lies within ± 2.58 .

Table 4.7: Normality Test

Variable	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
Resistance of Epicor User	100	-.232	.237	.275	.469
Skills of Epicor User	100	-.357	.241	.197	.478
Extent of Epicor Modules Usage	100	.148	.241	-.910	.478
Capacity of Epicor User	100	-.100	.241	-.622	.478

784.5.3 Autocorrelation Assumption (Independence of Errors)

Autocorrelation assumption provides a proof that errors between independent variables are distinct. Durbin-Watson experiment was used to verify the assumption. Results on Table 4.8 suggest that, there was low autocorrelation between independent variables because the coefficient of Durbin-Watson was 2.5. Durbin-Watson coefficient should be between 1.5 and 2.5 for confirmation of low autocorrelation.

Table 4.8: Durbin-Watson showing Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.904	.818	.810	2.31688	1.972

794.5.4 Multicollinearity Assumption

This assumption is used to confirm whether a correlation exists between independent variables. High correlations between the variables make it difficult to predict the value of each variable's effect size. To test this inference, the Variance Inflation Factor (VIF) and the tolerance rate were calculated. Table 4.9 shows that, the tolerance rates were high when VIF was very small and that the correlation between variables was very poor. Low VIF and high tolerance are proposed to show low multicollinearity. Statistically, VIF varies from 1 to 10, while tolerance varies from 0 to 1.

Table 4.9: Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Skills of Epicor User	.749	1.335
Extent of Epicor Modules Usage	.990	1.010
Capacity of Epicor User	.898	1.113

Resistance of Epicor User	.752	1.329
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804.5.5 Multiple Linear Regression Analysis

After completion of multiple regression assumptions, multiple linear regression analysis was carried out to determine variables relationship. The analysis disclosed that, independent variables have significant ($p < .05$) powerful effect on dependent variable as they explain 81.8% of the model variation. In other words, resistance of Epicor user, extent of Epicor modules usage, capacity of Epicor user, and skills of Epicor user explain 81.8% of effective use of Epicor as shown in Table 4.10.

Table 4.10: Linear Regression showing Summary of the Model Variation

Model	R	R Square	Adjusted R Square	S. E	Sig.
1	.904	.818	.810	2.31688	.000

In addition, Table 4.11 portrays that, capacity and resistance of Epicor users are significant predictors ($p < .05$) of effective use of Epicor. Besides, unstandardized coefficient indicates that, increase skills of Epicor user by one unit predicts 0.2 effectiveness of Epicor use. Also, one unit increase of usage of Epicor modules explains 0.13 increases in effective use of Epicor. Similarly, one unit increase in capacity accounts for 1 unit increase in Epicor use effectiveness. However, resistance of users by one-unit attributes to 11 times decrease in effectiveness of using Epicor system.

Table 4.11: Multiple Linear Regression Test showing Coefficients Significance

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	

1	(Constant)	-11.359	2.762		-4.112	.000
	Skills of Epicor User	.214	.270	-.040	-.794	.429
	Extent of Epicor Modules Usage	.129	.311	-.018	-.416	.678
	Capacity of Epicor User	.952	.434	.101	2.195	.031
	Resistance of Epicor User	-11.542	.647	.900	17.831	.000

a. Dependent Variable: Effective use of Epicor

81CHAPTER FIVE

82DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

835.1 Introduction

This chapter presents implications of the findings in a basis of the main and specific objectives of the study. It includes summary of the findings, discussion of the findings, conclusion, and recommendations of the study.

845.2 Summary of the Findings

The primary objective of this study was to assess factors influencing the effective use of Epicor accounting system in LGAs. The study comprises three specific objectives, which are; to examine the extent of Epicor usage in local government authorities; to assess factors influencing the effective use of Epicor in local government authorities; and to determine the relationship between level of Epicor usage and effective use of Epicor.

Analysis of the findings was based on specific objectives. First objective shows that, Epicor was mostly used in supplying high quality services (96%), preparing financial report on a timely basis (95%), audit management (93%), preparing LGAs budget (90%), and in the delivery of public service where it maximises transparency (90%). Further, results indicate that, Epicor system was mostly used to monitor and report LGA cash flow (89%), management and coordination of LGAs assets (88%), budget implementation (86%), track down and report all LGA expenditures (83%), and interpretation of financial reports in LGAs (57%).

Second objective revealed that, factors influencing use of Epicor were classified in three aspects; capacity, skills, and attitude. In terms of factors associated with skills, results show that, LGAs are mostly hindered by Epicor users with low computer skills ($M=4.6$). Furthermore, LGAs were revealed to lack extensive Epicor training programmes ($M=4.2$) and suffered from insufficient additional expertise due to frequent updates of Epicor system versions ($M=4.1$). Other factors slowdown effective use was lack of requisite software skills among Epicor users ($M=3.9$) and inadequacy of competent Epicor system operators ($M=3.6$). On capacity related

factors it was revealed that, users had poor capacity to meet excessive maintenance expenses ($M=4.6$), failure of LGAs to deal with bad Epicor network connectivity ($M=4.5$), and failure to meet implementation cost of proper ICT system ($M=3.8$).

LGAs were also found to lack the capacity to absorb the perceived risks associated with Epicor's adoption ($M=3.6$) and lack of the necessary ICT policy framework in LGAs ($M=3.6$). Factors associated with users' attitude show that, some users did not believe whether Epicor system saves time at work ($M=4.3$). Some users were also found to resist the use of Epicor system as they couldn't quickly notice advantage of the system changes ($M=4.3$). In addition, some users evince low attitude on using Epicor system perceiving that, the system do not improve work performance ($M=3.8$) and slowdown greater control over work ($M=3.3$). In addition, LGAs staffs were unwilling to adopt the use of Epicor system ($M=3.0$).

Third objective findings showed that, there is significant relationship ($p < .05$) between level of Epicor usage and effective use of Epicor system. independent variables had significant powerful effect on dependent variable as they explained 81.8% of the model variation. Besides, unstandardized coefficient indicates that, increase skills of Epicor user by one unit predicts 0.2 effectiveness of Epicor use. Also, one unit increase of usage of Epicor modules explains 0.13 increase in effective use of Epicor. Similarly, one unit increase in capacity accounts for 1 unit increase in Epicor use effectiveness. However, resistance of users by one-unit attributes to 11 times decrease in effectiveness of using Epicor system.

855.3 Discussion of the Findings

865.3.1 The Extent to which Epicor has Facilitated Financial Management in LGAs

The findings of the current study provide several implications related with usage of accounting system in LGAs. Results revealed that, Epicor system was frequently used in preparation of financial reports, budget, and audit management. This implies that, use of Epicor system facilitate and simplify financial activities which were once conducted manually such as preparing financial reports and management of budgetary tasks. It was also indicated that, Epicor system was most frequently used to monitor cash flows reports and public service delivery. This gives a notion that, the use of Epicor accounting system in LGAs enhanced transparency particularly in delivery of public services as it allows to track down and report LGA expenditures. The system also guarantees management of funds.

Findings are in consistent with Ngonyani (2015)' results on the fact that, accounting systems are likely preferred in LGAs since they provide broader dimension of financial and non-financial information. In the same perspective, Ibrahim (2017) supports current results as his study suggest that, majority of Epicor users in LGAs tend to use the system mostly for budgetary aspects due to its efficiency in processing, accumulating, and connecting information in a continuous mode.

875.3.2 Factors influencing the effective use of Epicor in Local Government Authorities

Given the findings of the study, implications are drawn from the dimensions of the identified factors. For instance, it was found that, factors which constrained the

effective use of Epicor system in terms of skills were; insufficient computer skills, lack of extensive training programmes associated with Epicor, and incompetent Epicor system operators. This gives a reflection that; LGAs are heavily hindered by shortage of computer expertise in terms of professional personnel and computer literacy among its workers.

In addition, it affirms that, there is lack of supporting policies, which encourage implementation of technological training to equip staffs at least with basic computer skills. Results also yielded that, some factors were related with staff's capacity such that, some users failed to meet excessive maintenance costs, poor Epicor network connectivity, and implementation costs. This also implies that, LGAs lacks effective policy that prioritise the management of ICT system including Epicor in terms of maintenance and implementation of budget. Besides, it attests that, LGAs workers have no tendency of using Epicor and related computer applications therefore lacks requisite experience and capacity to use, control, and maintain Epicor system.

These findings directly link with Akinyi (2016)'s results particularly on the argument that, LGAs often are constrained by fund transmission delays and deficit of budgets which leads them suffer from acquiring significant capacity to execute planned tasks effectively such as training programs, implementation of ICT system. In addition, Njihia and Makori (2015) align with the present analysis on the conception that, LGAs fails to effective use of information financial management system due to scarcity of policy which encourage usage of technological facilities and implementation of relevant training programs.

885.3.3 Effect of Level of Epicor usage on Effective use of Epicor

Findings of the study suggest that, usage of Epicor accounting system has a powerful effect on effective use of Epicor. Results indicated that, use of Epicor predicts more than 81.8% of the effectiveness. This provides an insight which confirm that, an increase use of Epicor is a significant predictor of rise of LGAs financial operations. In the same vein, results revealed a single unit increase use of the system attribute to an estimate of 0.2 and 0.9 increase of capacity and skills of LGAs staffs respectively. This imply that, use of Epicor also adds value to the employee competency and skills in computer related applications.

Similar results were reflected on a literally work conducted by Anaeli (2018) to assess the effect usage of accounting system in LGAs performance. Her findings suggest that, access and use, training, and experience were significant factors that attributed to performance of LGAs. Derara (2016); Chalu and Kessy (2015) also were in harmony in this facet that, effective use of accounting information systems positively influence performance of LGAs. They stress that, effective use of accounting system ensures management of both financial and non-financial information in LGAs.

895.4 Conclusion of the Study

This study was primarily set to assess factors influencing the effective use of Epicor accounting system in LGAs. In regards to the findings, the study affirms an existence of strong relationship between level of usage of Epicor system and effective use of the system. The study also provides statistical evidence on the extent at which increase use of the system predict increase of capacity and skills of a user.

The study specifically suggests that, LGAs use mostly Epicor only in few tasks regarding their level of expertise and experience. For instance, majority of users employed Epicor for financial report preparation, budget preparation, and letter of audit management. Despite, the higher frequency in these activities, the system was rarely used for non-financial information management operations.

However, effective use of Epicor system was constrained by several factors, which specifically relates with skills, capacity, and attitude of users. The study indicates that, majority of users in LGAs possess insufficient capacity and low requisite skills to use Epicor system effectively. Besides, users disclosed low attitude towards adoption of the system. Their attitude was attributed by resistance and negative perception facets. In a nutshell, the study affirms that, effective use of Epicor accounting system has significant effect on effective use of the system. However, there are indices of factors that affect the effective usage of the system in terms of capacity, skills, and attitude of users.

905.5 Recommendations of the Study

Following the presentation of the research results as described in the fourth section, the study recommends;

- (i) LGAs should develop policies, strategies and programs to provide education for most individuals. Learning is a key to achievement. For example, the use of computerized accounts needs somebody with computer understanding and accounting skills.

- (ii) Organizations should keep up-to-date their employees on all information technology findings that affect accounts.
- (iii) Training should always be an ongoing method to update employees to maintain their performance, or to deal with new technology.

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92APPENDICES

Appendix I: Questionnaire

Dear respondent,

I am a student of the Open University of Tanzania pursuing a Masters of Business Administration (MBA) Degree pursuing a research entitled “*Factors influencing*

effective use of Epicor accounting system in Local Government Authorities; the case of Kasulu Town Council.”

I am at the stage of data collection. Confidentiality will be maintained and the data collected will wholly and exclusively be utilised for academic purposes; otherwise permission is to be sought from the respective authority (ies). The study is a partial fulfilment for the award of a Masters of Business Administration Degree of the Open University of Tanzania. I am kindly requesting for your cooperation.

SECTION A: RESPONDENT’S BACKGROUND INFORMATION

Please tick (✓) the age group you are; gender and education level in the most appropriate box provided.

1: Age

- 21-30 years
- 31-40 years
- 41-50 years
- Above 50

2: Gender

- Male
- Female

3: Education qualification

- College Education
- Undergraduate
- Postgraduate
-

4. Marital status

- Single
- Married

5. Experience

- 1 year- 2 years
- 3 years- 4 years
- 5 years - 6 years
- Above 6

SECTION B

Use the scale provided to each part to make an assessment on the Factors influencing effective use of Epicor in Local Government Authorities. Please tick in the table the number that best describes your perception. Each number is presented by statement as shown below.

The extent to which Epicor has facilitated financial management in LGAs

Tick in the appropriate box for the degree of agreement about the following statements whereas 1=Strongly Disagree, 2=Slightly Disagree, 3= Neutral, 4= Slightly Agree, 5= Strongly Agree

S/N	Description	1	2	3	4	5
i	The use of Epicor facilitates the preparation of timely financial reports.					
ii	Epicor enables LGAs to track down and report all LGA expenditures.					
iii	Epicor improves transparency in delivery of LGA public services.					
iv	Use of Epicor leads to lesser queries in audit management letter.					
v	Epicor leads to high quality service provisions to its residents.					
vi	Epicor has improved budget preparations in LGAs.					
vii	Epicor has improved budget execution in LGAs.					
viii	Epicor enables LGAs to track down and report LGA cash flows.					
ix	Epicor enables better management and coordination of funds in LGAs.					
x	Epicor facilitates financial reports interpretation in LGAs.					

Factors influencing the effective use of Epicor in local government authorities

In a scale of 1 to 5, kindly rank the following issues with respect challenges slowdown the effective use of Epicor in local government authorities.

Tick in the appropriate box for the level of agreement about the following statements whereas 1=Strongly Disagree, 2=Slightly Disagree, 3= Neutral, 4= Slightly Agree, 5= Strongly Agree

S/N	Description	1	2	3	4	5

	Factors associated with skills of Epicor users						
	Epicor users lack the requisite software skills.						
	LGAs do not have extensive Epicor training programs.						
	Epicor users in LGAs have low computer skills.						
	LGAs are without competent Epicor system operators.						
	The system requires additional expertise in frequent modifications (updates) of Epicor versions.						
	Factors associated with user's capacity						
	LGAs cannot meet the corresponding costs to implement the proper LGAs ICT system.						
	LGAs do not have the capacity to absorb the perceived risks associated with Epicor's adoption.						
	LGAs are poorly capable of meeting excessive maintenance expenses.						
	LGAs are not able to deal with bad network connectivity.						
	There is a lack of the necessary ICT policy framework in LGAs.						
	Factors associated with users' attitude						
	LGAs staffs were unwilling to adopt the use of Epicor						
	The users of LGA Epicor resisted because they couldn't see the 'quick wins' showing the advantages of the change.						
	Using Epicor system slowdown greater control over work						
	Using Epicor do not improve work performance						

Influence of level of usage of Epicor on effective use of Epicor

In a scale of 1 to 5, kindly rank the following issues with respect to effectiveness of Epicor usage.

Tick in the appropriate box for the level of agreement about the following statements whereas 1=Strongly Disagree, 2=Slightly Disagree, 3= Neutral, 4= Slightly Agree, 5= Strongly Agree

S/N	Description	1	2	3	4	5
iii	Effective use of Epicor					

Appendix II: Research Clearance Letter

THE OPEN UNIVERSITY OF TANZANIA

DIRECTORATE OF POSTGRADUATE STUDIES

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Our Ref: PG201504371

Regional Administrative Secretary
Kigoma Region
KIGOMA

15th May 2019

RE: RESEARCH CLEARANCE

The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1st March 1993 by public notice No.55 in the Official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1st January 2007. In line with the Charter, the Open University of Tanzania's mission is to generate and apply knowledge through research.

To facilitate and to simplify the research process, therefore, the act empowers the Vice-Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are researching in Tanzania. With this brief background, the purpose of this letter is to introduce to you Mr. Athuman Magele Ngaka **Reg No: PG201504371 pursuing a Master of Business Administration (MBA)**. We hereby grant this clearance to conduct a research titled **"Factors Influencing Effective Use of Epicor Accounting System in Local Government Authorities: The Case of Kasulu Town Council "** He will collect his data in your area from 18th May 2019 to 30th August 2019.

In case you need any further information, kindly do not hesitate to contact the Deputy Vice-Chancellor (Academic) of the Open University of Tanzania, P.O. Box 23409, Dar es Salaam. Tel: 022-2-2668820. We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours Sincerely,

Prof. Hossea Rwegoshora
FOR VICE-CHANCELLOR
THE OPEN UNIVERSITY OF TANZANIA

Appendix III: Plagiarism Report

FACTORS INFLUENCING EFFECTIVE USE OF EPICOR ACCOUNTING SYSTEM IN LOCAL GOVERNMENT AUTHORITIES: THE CASE OF KASULU TOWN COUNCIL

ORIGINALITY REPORT

27 %	%	%	%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	ijecm.co.uk Internet Source	2 %
2	core.ac.uk Internet Source	2 %
3	scholar.mzumbe.ac.tz Internet Source	2 %
4	Submitted to University Der Es Salaam Student Paper	1 %
5	Submitted to Intercollege Student Paper	1 %
6	dk.upce.cz Internet Source	1 %
7	pdfs.semanticscholar.org Internet Source	1 %
8	www.tzdpq.or.tz Internet Source	1 %