Factors Influencing the Implementation of Computerized Accounting Systems in Small and Medium-Sized Enterprises in Mogadishu, Somalia

Ali Ibrahim Mohamed 1
Faculty of Accountancy , SIMAD University
Mogadishu - Somalia.
alidugaal95@simad.edu.so

Ainon Ramli2
Faculty of Entrepreneurship and Business
Universiti Malaysia Kelantan
ainon@umk.edu.my

Abstract

Purpose: The purpose of the study was to examine or understand the factors influencing the implementation of computerized accounting systems (CAS) in small and medium-size firms in Somalia.That to find solutions to problems that affect report quality, increase trust in decision-making, and improve report quality. It was also anticipated that improving financial statement quality would speed up the preparation of financial statements.

Design, Methodology, and Approach: The primary data for this study was collected using a quantitative research method and an online survey. The target population was SMEs Firms in Mogadishu, Data was collected from 110 respondents who worked in small and medium-sized firms' finance, accounting, and business overall., the sampling methods were stratified sampling methods. The study created the opportunity for enhancing the role of CAS implementation in small and medium-sized businesses. Regression analysis was carried out using SPSS version 25.

Findings: The study revealed that management commitment, human capital efficiency, business user competency, and cost capabilities play a significant role in implementing CAS in SMEs of Bakara Market. In addition, CAS also made report preparation easier, increased confidence in decision-making, and improved report quality.

Originality/Value: While research has been conducted to investigate the factors influencing the implementation of CAS in SMEs, the majority of these studies have discovered that computerized accounting systems increase the accuracy of financial statements and speed up their generation. The importance, timing, and comprehension of information, according to the findings, all play a role in the use and implementation of a computerized accounting system. This is one of the few studies on the factors influencing the installation of computerized accounting systems in Somalia's small and medium-sized businesses.

1.Introduction

Data that has been structured and reviewed in order to offer context and improve the decision-making process is referred to as information. For example, Sari Azhar et al. (2019) suggested that an accounting information system is a set of linked subsystems that work together to convert financial data into the financial information needed for financial decision-making. Romney and Steinbart (2015) suggested that information is often arranged and evaluated, providing context and supporting decision-making. According to O'brien and Marakas (2011), an information system with high-quality data has capabilities, properties, or characteristics that make it more meaningful. Petter et al. (2013) suggested that the technical aspects, mission and organizational factors, user and social features, and job characteristics all play a role in implementing new technologies in businesses. According to Imeokparia (2013), the Computerized Accounting System was created to make the preparation and reporting of financial statements easier and less difficult. Computerized Accounting Systems. According to Steinbart and Romney (2009), is a system that collects, tracks, saves, and maintains data for decision-making and information development.

Oladejo Moruf and Oluwaseun, (2014) suggested that evidence from previous research has demonstrated that many independent or explanatory variables will decide the adoption of an accounting information system. These factors include the chief executive officer's creativity, management's commitment, the accounting information system's relative simplicity of use, human capital, and perceived complexity, the system's benefit, and the degree of risk associated with the system's and equipment's expense.

Taiwo, (2016) suggested that Financial management and accounting techniques have substantially influenced innovation in information and communication technology (ICT). ICT has been instrumental in offering a strategic edge for businesses, financial institutions, industrial industries, and particularly in the accounting profession. ICT, in particular, has been a key force in productive and efficient accounting systems and improved organizational performance.

Abor, Aggreh et al. (2019) suggested thatSmall and medium businesses (SMEs) play a significant role in economic growth in all countries. According to Amoako, (2013) in developing economies, the SME sector is vital, as this sector produces full socio-economic benefits for the country. The main task of SMEs is to create government jobs and revenue. Rathnasiri, (2015) suggested that SMEs also contribute to enhancing the quality of human capital, encouraging businesses, supporting large-scale industries, adding to social activity, and reducing poverty.

Padachi, (2012) suggested that Internal variables such as marketing and practices, and also poor accounting management, may all contribute to SMEs' poor results. The staff is responsible for preparing a chart of accounts, general ledgers, documents, and subsidiary journals, as well as maintaining the quality of the accounting system, accounting system formats, and other necessary records, among other accounting operations. To become more efficient, these processes will need to be automated. According to Lose, Tengeh, et al. (2016) Over the years, there has been a global effort to recognize the importance of small and medium-sized Enterprise (SMEs) in economic growth.

According to Mohd Sam, Hoshino et al. (2012). The use of computerized accounting systems (CAS) by small and medium-sized enterprise (SMEs) in Malaysia was investigated, and it was discovered that SMEs use CAS at a high rate. Chittithaworn, Islam et al. (2011) suggested that SME's play a vital influence in a country's economy, according to previous study. As a result, the SME sector's performance is directly linked to the overall performance of the country. Small and medium-sized Enterprise (SMEs) play a critical role in job creation, economic development, and poverty reduction, and their importance in the national economy has been underlined all over the world.

SME's are adaptable and innovative in terms of volume and market structure., Lekhanya, (2016). According to Adan and Kising'u, (2019), The small business sector in Somalia has the

potential, as well as the historical challenge, of shifting millions of people from the survival stage to the mainstream economy, including the informal market. Somalia's informal sector is primarily comprised of cattle, remittance and money transfer businesses, and telecommunications, according to the most recent detailed estimates published in 2012. According to Reinbeck, (2002), SMEs appear to be large in many African countries, accounting for over 90% of all enterprises and over 80% of new jobs.   According to 2013 In Somalia moving millions of individuals out of the informal economy and into the formal economy is both an opportunity and a historic challenge for the small business sector. According to the most up-to-date comprehensive estimates from 2012, Livestock, remittance/money transfer firms, and telecommunications still dominate Somalia's informal economy. In developing countries, SMEs account for around 45 percent of manufacturing jobs and 29 percent of manufacturing GDP, compared to 67 percent and 49 percent in rich countries, respectively. IFC, (2010).

This study discusses the study's literary inspiration as well as the necessity of CAS implementation in small and medium-sized businesses. This deals with the awareness and use of the internet in the industry of remittances and airlines in general and the industry of banks in particular. It then moves on with the aims and questions of the study, accompanied by a brief explanation of the flow of the thesis. Though, to develop the economy of SMEs in the country, there is a need for a transparent accounting system that is accurate to develop the economy of the country. This research was carried out in Somalia, specifically in Bakara Market, the researcher's home country. Because the study is time-bound, SMEs in the Bakara market were chosen as a case study to gain a better understanding of the problem. This study examines the factors that influence the adoption of computerized accounting systems (CAS) in Somalia's small and medium enterprises. The market is in Somalia's capital, Mogadishu's Howlwadag district.

Unfortunately, the past research has indicated that there are a number of concerns with CAS implementation, such as record-keeping and incorrect use of accounting data, that present obstacles for SMEs in terms of decision-making and financial reporting. Furthermore, the lack of an accounting information system interrupts the businesses' financial activities, as all stakeholders review financial statements on a regular basis to assess business performance.

Therefore, Factors influencing the implementation of computerized accounting systems (CAS) in Somali SMEs are investigated in this study. The manual system of bookkeeping has proven insufficient when organizations want accurate, precise, and timely information in order to make business decisions. However, the purpose of the study was to examine the factors affecting the implementation of computerized accounting systems (CAS) in small and medium-sized enterprises in Baraka Market, Mogadishu Somalia. The structure of the article is described in the figure below: The literature review will be covered in the second portion, and the study methods will be covered in the third section. The study's findings will also be discussed in the fourth portion, with the fifth section concluding with a summary of the findings, recommendations, and future research topics.

2.0 Review of Literature

2.1 Management Commitment
Management commitment is a leadership style in which the manager and subordinate work together to create work objectives, authority levels, and performance pledges. From the beginning to the end of a project's development, management commitment is a foundation to characterize, defend, and support the major operations Englund and Bucero, (2006). Despite the challenges of developing AIS, customers and developers are the keys to development. As a result of the new IS, several analysts have found successful execution to impact project efficiency and financial success. This is true in a range of

industries; for example, in the health-care industry, hospital accounting systems have the best performance and success. The productive interaction between manufacturing and medical teams.

According to Chen and Hsiao, (2012) Support from upper management has a significant impact on how technology is implemented in businesses. According to Hemanth K. Mukkamala, (2013) top management's willing to provide the support and legitimacy needed for the mission's successful implementation. Management commitment can be identified as confidence in, excitement for, and strong management support for establishing, implementing, and maintaining a strategy that has been formulated so that it can be carried out both based on policy objectives and the long-term basis of the various definitions and principles. According to a previous study, one of the most important factors in the successful implementation of Computerized Accounting Information (CAS) in the business world is management commitment, which also helps to achieve other organizational goals.

2.2 Business User's Competence

User competence is a degree of performance that demonstrates the effective use of knowledge, skills, and management, Funk (2005: 33). Core competencies differentiate a company from its competitors and provide it with a competitive advantage in the market. Instead of physical or financial assets, a company's core competency refers to its set of expertise or experience in a specific activity. Theoretically, the concept of competence popularized by Boyatzis, (1982) describes competence for the first time as the capacity of a person who appears in a manner that satisfies the needs of the organization that works on performance objectives and produces the required results. Moeller, (2011) revealed that competence refers to the knowledge and abilities required to execute assigned tasks and suggest that competence is the fundamental characteristic of the various meanings and concepts mentioned above, such as the knowledge, skills, and abilities acquired and applied by an employee in the execution of their organizational performance improvement duties.

2.3 Cost Capability

Any optional commitment involving objects, possessions, material or moral rights that should have an economic worth in order to produce a present or future advantage that should not be less than the value at the time of completing sacrifice in the value of sacrifice process" is a general definition Matarneh, (2003). According to Donaldkiso, (2009), when the initial set-up cost of a computerized accounting system is expensive, organizations are reluctant to accept it. Computerized accounting includes equipment expenditures, assembly, installation, and startup testing costs. The system requires specially trained personnel to operate.

Nyang'au, Okibo et al. (2015) suggested that it has been discovered that the lack of infrastructure restricts the implementation of CAS. The obstacles to technology implementation are the lack of financial resources for hardware, applications, equipment, and time. In addition to the initial investment, the barriers to CAS implementation are maintenance costs and technical support. Dabor, (2016) suggested that financial resources affect CAS adoption. Darshi, Nanayakkara, et al. (2019) stated that Financial resources had an impact on the implementation of CAS.

2.4 Efficiency for Human Capital

Human resources are most likely to be a major source of a company's competitive advantage in the long term. Barney, B., & Wright, M. (1998), Employees should have access to science, professional experience, knowledge, and technical capacity. Human resources are also an important factor in determining the quality and efficiency of the CAS operation Githinji, (2014). According to Zhou, L. (2010), another study, Accounting people quality is an important consideration in the implementation and acceptance of accounting information systems.

According to Kapurubandara, (2016) The application of ICT and e-commerce is complicated by a lack of knowledge and skills. Haleem, (2016) suggested that Infrastructure, human resource, computer proficiency, and government support are all critical considerations when putting a system in place.

CAS, according to the elements influencing CAS in relation to a government agency in Sri Lanka's Ampara District The majority of small firms suffer with professional skills, which results in a drop in the usage of computerized accounting and quality information systems.

2.5 Accounting Information Systems

An accounting information system is a set of interconnected subsystems that operate together to convert financial data into the financial information that management uses for financial decision-making. The Accounting Information System is a collection of systems that convert financial and other data into information, including human resources and services. This information passed on to those in charge of making decisions.

Accounting Information Systems are divided into six elements: (1) the individuals who use the system, (2) the processes and instructions for collecting, processing, and maintaining data, (3) the data and business operations of the company, (4) the applications used for data storage, (5) the infrastructure for information systems, namely computers, peripherals, and network communications devices. And (6) Mechanisms for administrative monitoring and protection to shield AIS data. Romney, Steinbart et al. (2012).

2.6 Computerized Accounting System (CAS)

According to Frank and Sangster (2005), All financial transaction data inputs, storage, transfers, processing, collecting, and reporting are all part of the CAS. So, for the contemporary or digital era, computerized accounting is the most important and gets many incentives, such as accurate records, less expense, and timely reporting.

A computerized accounting process is one in which computers and computer-based programs are used. Accounting software, for example, can be used to track, coordinate, summarize, review, view, and communicate financial information about business transactions to stakeholders. It's a computerized system for simplifying financial data inputs and automating accounting tasks including database documentation and report generation. according to him. Marivic, (2009).

Also Maintaining proper accounting records, according to Marivic, is an essential part of any business. It is a requirement of financing bodies or investors, in addition to promoting, financially, and legally maintaining its stream. According to Amviko, (2011) A computerized accounting system simplifies accounting data processing in order to make decision-making easier. Speed, timeliness, quick analysis, precision, and reporting are just a few of the benefits.

According to Ilias & Razak, (2011) accounting is the process of converting financial transactions into useful quantitative data by collecting, organizing, recording, and reporting them. The accounting system refers to the procedure for completing accounting activities.

2.6.1 Benefits of Computerized Accounting System

The usage of computers has brought many benefits to society. When users have quick access to data from all around the world, both business and household users may make well-informed decisions. Another type of customer provides extra opportunities to assist pupils in their study. It is vital to profit from the use of computers because of their advantages of speed, dependability, precision, storage, and networking. Shelly and Vermaat, (2011).

According to Shelly and Vermaat, (2011). Computers provide advantages in terms of speed, reliability, consistency, storage, and communication, so they can be helpful. In a computer, data, instructions, and information flow at breakneck speed via electronic circuits.

Speed. In a single second, many computers can carry out millions or trillions of operations. Addition, subtraction, alphabetical sorting, gaining, showing photographs, recording sounds, playing music, and presenting a movie or video are all examples of processing.

The reliability. Electronic components in today's computers are incredibly reliable and fail infrequently.

Consistency: A computer will consistently deliver the same result when given the same input and methods. The phrase "garbage in, garbage out" refers to the fact that the

correctness of a computer's input determines its output. Indoors, for example, if you don't use the flash on your digital camera, the pictures you see on your computer screen may be too dark.

Communication: The majority of current computers can connect with one another, often wirelessly. Computers with this feature can share any of the few information processing cycle operations — input, process, output, and storage – with another computer or a human.

Storage: The ability of a computer to quickly transmit data from storage to memory, process it, and then save it for later use is referred to as storage. Many computers can store huge amounts of information and make it available for processing whenever it is needed.

2.7 Theoretical Framework
2.7. 1 Contingency Theory
The contingent factors influencing the development of accounting information systems for nonprofit organization projects in Tanzania have been explained using contingency theory. Contingency theory is used in information system research to understand the interconnections between variables that affect the implementation of a successful information system (Reinking, 2012). Accounting information system and management information system research have both contributed to the development of the theory. In the development and implementation of systems, contingency variables are used. Contingency theory in the deployment of accounting information systems has been discovered to be directly associated with organizational and individual characteristics (Ginzberg, 1980).

To achieve successful system implementation, these variables communicate with one another. Various researchers have identified organizational characteristics such as organizational structure and top management support (Chenhall and Morris, 1986; Mahmood and Swanberg, 2001; Daoud and Triki 2013), as well as individual characteristics such as individual educational level, user competency, user knowledge, training, professional level, and skills level (Chenhall and Morris, 1986; Mahmood and Swanberg, 2001; Daoud and

Triki 2013). (Chenhall and Morris, 1986; Mahmood and Swanberg, 2001; Daoud and Triki 2013). (Mahmood and Swanberg, 2001; Daoud and Triki, 2013).

2.7.2 Technology Acceptance Model (TAM)
Bergeron, (1995) suggested thatthe TAM framework, as a social psychology theory, specifically reveals the social, cultural, individual, and organizational factors that influence behavior. Doll, Hendrickson, and Deng, (1998) suggested that TAM is a modified form of the Model Principle of Reasoned Action (TRA) for the concept of user acceptance in information systems. According to Doll, Hendrickson, and Deng, (1998) Perceived usefulness is defined as the degree to which a person believes that using a particular device will improve its performance.

While perceived ease of use is defined as a company's belief that using the system will benefit them. According to Petra, (2005) the first side of TAM's so-called values is made up of perceived usefulness and perceived ease of use, while the second side is made up of mentality, actions purpose to use, and use behavior. TAM describes the link between faith/beliefs (usefulness and ease of use) with users' behaviors, priorities, or intentions, as well as the practical use of the method.

Fletcher, Sarkani, & Mazzuchelli, (2014) suggested that the TAM model is not without limitations and restrictions. One of the TAM model's limitations is that the data used is self-reported rather than real device use data.

2.8 Research Hypotheses
The goal of this study is to use hypothesis testing to determine the relationship among variables:

Hypothesis 1: Management commitment has a positive and significant relationship with the implementation of Computerized Accounting Systems.

Hypothesis 2: Business User's Competence has a positive and significant relationship with the implementation of Computerized Accounting Systems.

Hypothesis 3: human capital efficiency has a positive and significant relationship with the

implementation of Computerized Accounting Systems.

Hypothesis 4:the cost of capability has a positive and significant relationship with the implementation of Computerized Accounting Systems.

3.0 Methodology Research

This study is used a quantitative approach, in which indicators are used to measure variables. This is because the researcher follows to the descriptive approach, which states that knowledge should be concrete, and the researcher was able to describe the issues under investigation using proper methodologies. This research was undertaken on a number of SMEs in Bakara Market, Mogadishu, Somalia. The study population included 1,241 SMEs employees in Bakara Market, Because Bakara Market is the heart of SMEs in Mogadishu, Somalia. The study population included 1,241 SMEs employees in Bakara Market, and selected 30 sector of SMEs which had more than five employees, however, the population was chosen based on the number of employees, with a minimum of 5, And 30 SMEs sectors with more than 5 employees were picked, with a total workforce of 150. However, the sampling formula was used to determine the study's sample size. After the sample size has been chosen, the survey can be administrated to 110 respondents

4.0 Presentation and discussion of findings 4.1. Descriptive Analysis

4.1.1. Demographic Information of the Respondents

This section contains information about the respondents who took part in the study. The goal of this background information was to learn about the respondents' qualities. The following table depicts their distribution:

Table 4.1 Demographic Information (N=110)

Variables	Measures	Percent (%)
Gender	Male	66.7
	Female	33.3
	Total	**100.0**
Age (Years)	Less than 21 Years	14.2
	21-30	40.8
	31-40	40.0
	Above 40	5.0
	Total	**100.0**
Marital Status	Single	20.0
	Married	70.8
	Divorced/Widow	9.2
	Total	**100.0**
Educational Attainment	Secondary Level	7.5
	Bachelor Degree	56.7

	Master Degree	32.5
	PhD	3.3
	Total	**100.0**
Experience	Below 5 Years	51.7
	6 - 10 Years	33.3
	Above 10 Years	15.0
	Total	**100.0**
Responsibility at Business	Business Owner	20.0
	Employee	33.3
	Manager	46.7
	Total	**100.0**
Type of Business	Sole Proprietorship	27.5
	Partnership	41.7
	Cooperative SMEs	20.0
	Private Business Corporation	10.8
	Total	**100.0**

Source: Researcher's compilation from SPSS 25

According to the above table, the respondents were asked to identify their gender, 66.7% were male, and 33.3 % were female. The result indicates the majority of the research participants are male, which might be due to the dominance of males in the workplace. Furthermore, 14.2% of the respondents were less than 21 years; 40.8% were at the age of 21-30. Similarly, 40% of the respondents were aged 31-40, while 5.0% were above 40 years. Similarly, 40% of the respondents were at the age 31-40; while 5.0% of the respondents were above 40 years.

Regarding marital status, 70.8% of the respondents were married; 20% were single while 9.2% were divorced. Concerning educational attainment, most of the respondents (56.7%) hold bachelor's degrees; 32.5% were master level; 7.5% hold a secondary certificate, and 3.3% were PhD level. In terms of business experience, 51.7% of the respondents have less than five years of business experience; 33.3% have between five and ten years of experience; 22.7 of the respondents have above eight years of business experience. In terms of business experience, 51.7% of the respondents have less than five years of business experience; 33.3% have between five and ten years of experience; 22.7 of the respondents have above eight years of business experience.

4.2.2 Management's Commitment to CAS Implantation

The first goal of this research was to see how management commitment affected the implementation of CAS for SMEs in Somalia.

Respondents were asked many questions to offer answers to stated study questions in order to attain this goal. The results are presented in the following table 4.2.

Table 4.2: Descriptive analysis of the Management Commitment (N=110).

ITEM	Management Commitment	Mean	Std. Deviation
B1	Management is committed to motivating employees to participate in the decision-making and innovation process.	4.083	0.773
B2	Management is the first person excited a business growth and transformation.	3.983	0.698
B3	Due to poor management and administrators' unwillingness, the implementation of Computerized Accounting Systems (CAS) has collapsed.	3.983	0.722
B4	Management should be responsible for preparing personnel to develop the expertise and abilities needed to implement CAS.	3.983	0.698
B5	Managers need to understand that empowering employees by selfmanaged teams can benefit the organization through quality management teams.	4.117	0.735
B6	Employees should be given sufficient authority to implement their CAS skills and experience.	4.133	0.697
B7	Managerial knowledge has contributed to the rise of CAS deployment.	3.975	0.716
B8	The adoption of CAS has failed due to a lack of knowledge, skills, and experience.	3.908	0.767
B9	The CAS implementation is hindered by the lack of cooperation between managers and their subordinates.	3.933	0.719
B10	Managers recognize the value of CAS in assisting them in making decisions.	3.950	0.732
	Overall Mean and Standard Deviation	**4.005**	**0.726**

Source: Researcher's compilation from SPSS 25

According to the above table, respondents were asked several questions, including management's commitment to motivating employees to participate in the decision-making and innovation process and management's employee development responsibility to implement CAS.

These questions scored with an overall mean of 4.005 and a standard deviation of 0.726.

4.2.3 Efficiency for the Human Capital

The study's second goal was to look at the impact of human capital efficiency on the implementation of CAS in Somalia. Participants

were offered a series of questions to answer to the study's stated topic in order to achieve this

goal. The results are shown in Table 4.3 below.

Table 4.3: Descriptive analysis of the Human Capital Efficiency (N=110).

	Efficiency for Human Capital	Mean	Std. Deviation
B11	ICT systems are familiar to employees.	3.900	0.666
B12	Employees dislike the idea of modifying the current system.	3.700	0.795
B13	Employees' knowledge of accounting and IT programs has contributed to the adoption of CAS.	3.742	0.704
B14	There is continuous improvement of CAS and data quality.	3.817	0.756
B15	Employees need to constantly improve their skills and qualifications.	3.825	0.774
B16	The quality of financial statements on the use of CAS has increased.	3.758	0.789
B17	Employees require training and workshops in their respective fields.	3.725	0.686
B18	CAS Increases the speed of financial statement preparation	3.892	0.807
B19	Increased CAS training skills contribute to the implementation of CAS.	3.883	0.700
B20	Ignorance about Computerized Accounting systems	3.367	0.869
	Overall Mean and Standard Deviation	3.761	0.755

Source: Researcher's compilation from SPSS 25

According to the above table, the question asked to the respondents was include the contribution of employees' knowledge of accounting and IT programs to the adoption of CAS. It has scored a mean of 3.742 and a standard deviation of 0.704. Participants also agreed that computerized accounting systems improved the quality of the financial statement, increased the speed of financial statement preparation. Respondents also acknowledged the need to constantly improve the skills and qualifications of the employees through training and workshops in their respective fields. The questions scored an overall mean of 3.761 and a standard deviation of 0.755. This falls under "agree" following the scale of the study.

4.2.4 business user's competence

The study's third goal was to look at the impact of user competency on the deployment of CAS in Somalia.

Participants were asked many questions to reply to the specified research topic in order to achieve this goal.

The results are shown in Table 4.4 below.

Table 4.4: Descriptive analysis of Business User's Competence (N=110).

	Business User's Competence	Mean	Std. Deviation
C1	The technical knowledge, skills, and experience of business users contribute to the implementation of CAS	3.917	0.717
C2	Business users require important CAS training	3.633	0.809
C3	The attention information of business users is most relevant and accurate, which is obtained quickly from CAS	3.733	0.764
C4	The attention of business users to information must be security and less cost that gets CAS quickly	3.892	0.754
C5	Business users do not have access to the use of technology and digital materials	3.883	0.780
C6	Information on time, importance, and understanding of the Computerized accounting system is easy to acquire with the use of CAS.	3.692	0.818
C7	The use of CAS in Business and its financial information is important	3.733	0.775
C8	CAS information encouraging business stability and growth.	3.833	0.844
C9	Business users believe that CAS is more reliable and gets the correct information.	3.750	0.725
C10	Flexibility in information generation	3.892	0.807
	Overall Mean and Standard Deviation	3.796	0.779

Source: Researcher's compilation from SPSS 25

According to the above table, the question asked to the respondents was include the technical knowledge, skills, and experience of business users contributing to the implementation of CAS. Respondents agreed with this question at a mean score of 3.917 and a standard deviation of 0.717. Participants also agreed the timing, importance, and understanding of the information contributes to the use and implementation of the computerized accounting system. All other questions have scored an overall mean of 3.796 and a standard deviation of 0.779. This falls under "agree" under the scale of the study.

4.2.5 Cost Capability

The study's fourth goal was to look into the impact of cost capability on CAS implementation in Somalia. To achieve this goal, participants were asked a series of questions about the study's specified topic. The results are shown in Table 4.6 below.

Table 4.6: Descriptive analysis of Cost Capability (N=110).

	Cost Capability	Mean	Std. Deviation
C11	Cost of hardware and software could be capable for the business	3.958	0.738
C12	Cost of Maintenance hardware and software could be capable for the business	3.792	0.787

C13	A business consulting fee could be acceptable for the business	3.758	0.840
C14	Level of satisfaction of the current system	3.900	0.715
C15	Implementation level of awareness of CAS implementation	3.892	0.708
C16	The cost and time to prepare business financial information is reduced by computerized accounting systems	3.733	0.730
C17	The setting-up of Computerized accounting systems requires a high initial cost.	3.742	0.739
C18	Computerized accounting systems are saved easily and are still being restored.	3.992	0.835
C19	The business's computerized accounting systems are easily understood by its different customers.	3.817	0.809
C20	Cost benefits analysis systems are used	3.150	0.958
	Overall Mean and Standard Deviation	3.796	0.779

Source: Researcher's compilation from SPSS 25

As the table above table 4.6 shows, respondents were asked several questions, including the cost of hardware and software maintenance for the business. Respondents agreed with this question at a mean score of 3.792 and a standard deviation of 0.787. Respondents also agreed that the firm's capability of the initial cost of computerized accounting systems should be considered. It has scored a mean of 3.742 and a standard deviation of 0.739. This falls under "agree" according to the scale of the study. Other questions include that implementation of CAS reduces the cost and time to prepare business financial information and the usefulness of making cost-benefit analysis systems when considering CAS implementation. These questions scored an overall mean of 3.773 and a standard deviation of 0.786 which falls under "agree" in accordance with the scale of the study.

4.2.6 Benefits of Computerized Accounting Systems

This section focuses on the descriptive analysis of the dependent variable (Computerized Accounting Systems Implementation) using mean and standard deviation; 110 respondents were asked to rate their agreement with each of the following topics. The results are summarized in the following table.

Table 4.6: Descriptive analysis of Benefits of Computerized Accounting Systems Implementation (N=110).

	Benefits of Computerized Accounting Systems	Mean	Std. Deviation
D1	Improved accounting quality	3.917	0.717
D2	Improved quality of reports	3.633	0.809
D3	Information generation flexibility	3.733	0.764
D4	Spend less on resources and save money.	3.892	0.754

D5	Effective in decision making	3.883	0.780
D6	Increased accuracy and fewer errors	3.692	0.818
D7	More business comes from faster record-keeping.	3.733	0.775
D8	Facilitates the preparation of reports	3.833	0.843
D9	Gives confidence in decision-making	3.750	0.725
D10	Innovative financial technology	3.892	0.807
	Overall Mean and Standard Deviation	3.796	0.779

Source: Researcher's compilation from SPSS 25

As the table above table 4.6 shows, one of the questions asked to the respondents was the implementation of computerized accounting systems improves accounting quality. It has achieved a mean score of 3.917 and a standard deviation of 0.717. This falls under "agree" in accordance with the scale of the study. Another question states that the implementation of computerized accounting systems saves resources and money. This question scored a mean of 3.892 and a standard deviation of 0.754 which falls under "agree" according to the scale of the study. Participants also agreed that the implementation of computerized accounting systems increases accuracy and reduces errors. This question has achieved a mean score of 3.692 and a standard deviation of 0.818. Other questions include that implementation of computerized accounting systems facilitates the preparation of reports, gives confidence in decision-making, and improves the quality of the reports. These questions scored an overall mean of 3.796 and a standard deviation of 0.779 which falls under "agree" in accordance with the scale of the study.

4.2.8 Reliability Test

The findings of a Cronbach Alpha reliability test were used to establish that the study's scale is reliable and consistent, and the results are shown below. Cronbach Alpha values greater than 0.7 suggest that all variables are accepted, internally consistent, and the scale is reliable for further investigation.

Table 4.7 Reliability Test (N=110).

No	Variables	Items	Cronbach's Alpha
1.	Management Commitment	10	0.837
2.	The efficiency of the Human Capital	10	0.885
3.	Business User's Competence	10	0.880
4.	Cost Capability	10	0.923
5.	Implementation of CAS	10	0.820

Source: Researcher's compilation from SPSS 25

4..2.9 Multicollinearity Test

The tolerance value and the variance inflation factor were employed in this study to detect multicollinearity amongst variables. These two tests show how well one independent variable explains the impact of another independent

variable. Table 4.8 shows the results of the multicollinearity study among variables. The VIF is 0.10, and the recommended cutoff tolerance value is 0.10 (Hair et al., 2019). So

some papers argue that a VIF<10 is acceptable, but others say that the limit value is 5. Maybe both limits are valid and that it depends on the researcher criteria. (Hair et al., 2019)

Table 4.8 Collinearity Statistics (N=110).

N o	Variables	Collinearity Statistics	
		Tolerance	VIF
1.	Management Commitment	.588	1.701
2.	The efficiency of the Human Capital	.691	1.447
3.	Business User's Competence	.759	1.317
4.	Cost Capability	.658	1.520

Source: Researcher's compilation from SPSS 25

2.2.10Correlation Analysis

The purpose of this analysis was for the researcher to see if the correlation between the variables was significant. In social science

research, a significance level of 0.005 is the commonly accepted standard level. In the table below, the findings are summarized:

Table 4.9 Correlation Analysis

		1	2	3	4	5
1.	Management Commitment	1				
2.	Human Capital Efficiency	.317*	1			
3.	User's Competence	.562	.463	1		
4.	Cost Capability	.218*	.322*	.269	1	
5.	Implementation of CAS	.487*	.686*	.419*	.573*	1

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

Source: Researcher's compilation from SPSS 25

The correlations between the implementation of computerized accounting systems and management commitment, human capital efficiency, business user competence, and cost capability are 0.487, 0.686, 0.419, and 0.573, respectively, at a significance level of 0.05. The Pearson's correlation coefficients for Human Capital Efficiency, Cost Capability, and CAS Implementation in SMEs are 0.686 and.573, respectively, showing that the variables have a significant relationship. In SMEs, the correlation

between Management Commitment, User Competence, and CAS Implementation is 0.487 and 0.419, indicating a moderate relationship. However, if the level of significance is 0.000, which is lower than the level of alpha, which is 0.05, we can reject the null hypothesis in favor of the alternative.

4..2.11 Multivariate Analysis

Multivariate regression analysis was used to investigate the factors influencing the implementation of computerized accounting

systems (CAS) in SMEs, with management commitment, human capital efficiency, business user competence, and cost capability as independent variables and CAS implementation as the dependent variable. The findings are listed in the tables below.

Table 4.10 Multivariate Regression Analysis (N=110).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646	.418	.397	.35906

a. Predictors: (Constant), Management Commitment, Efficiency of The Human Capital, Business User's Competence and Cost Capability

ANOVAᵃ

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.631	4	2.658	20.614	.000ᵇ
	Residual	14.826	115	.129		
	Total	25.457	119			

a. Dependent Variable: CAS_Implementation

b. Predictors: (Constant), Management Commitment, Efficiency of The Human Capital, Business User's Competence and Cost Capability

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.856	.450		2.303	.019
	Management Commitment	.243	.062	.278	3.889	.000
	Human Capital Efficiency	.474	.061	.555	7.760	.000
	User Competence	.215	.062	.270	3.448	.021
	Cost Capability	.301	.090	.382	6.793	.000

a. Dependent Variable: CAS_Implementation

Source: Researcher's compilation from SPSS 25

According to the above table, the result that management commitment, the efficiency of the human capital, business user's competence, and cost capability has a significant and positive effect (p-value < 0.05 level of significance) on the implementation of computerized accounting systems of the selected small and medium-sized businesses. This translates to 0.243, 0.474, 0.215, and 0.301 points for the management committee, human capital efficiency, business user competence and cost capabilities, and computerized accounting system implementation, respectively. According to Table 4.10, the correlation coefficient between management commitments, human capital efficiency, business user's competence, cost capability, and the implementation of computerized accounting systems is 65%. The coefficient of determination is 0.418. This implies that 42% of implementation of computerized accounting systems is explained by the variation of the management commitment, efficiency of the human capital, business user's competence, and cost capability. As a conclusion, the findings support the hypothesis that Human Capital Efficiency, Cost Capability, and CAS Implementation in SMEs are 0.686 and.573, respectively, indicating a significant relationship between the variables. While the correlation between Management Commitment, User Competence, and CAS Implementation is 0.487 and 0.419 in SMEs, this indicates that the selected small and medium-sized enterprises have a moderate relationship.

4.2.12 Major Findings and Discussions of the Study

This section presented a clear interpretation of the data related to the purposes of the study, which was to study the factors influencing the implementation of computerized accounting systems in small and mediumsized enterprises in Mogadishu. Data was collected and analyzed to determine the relative importance of these elements in the implementation of computerized accounting systems in Mogadishu's small and medium-sized businesses. The first objective of this study was to examine the impact of management commitment on the implementation of CAS in Somalia. This study revealed that

computerized accounting systems improve the quality of the financial statement and increase financial statement preparation speed. Results also show that there is a need to enhance the skills and qualifications of the employees constantly. The findings agree with what Hemanth K. Mukkamala, (2013) studied and confirm that management's commitment to motivating employees to participate in decision-making and innovation activities.

The second objective was to the study was to examine the impact of the efficiency of the human capital on the implementation of CAS in Somalia. The results indicated the contribution of employees' knowledge of accounting and IT programs to the implementation of CAS. The findings agree with what Kapurubandara, (2016) studied and confirmed that they acknowledged the need to constantly improve the skills and qualifications of the employees through training and workshops in their respective fields.

The third objective was to examine the impact of users' competence on the implementation of CAS in Somalia. The results revealed that business users' technical knowledge, skills, and experience contribute to the implementation of CAS. Results also show that the timing, importance, and understanding of the information contribute to the use and implementation of the computerized accounting system. The findings are in line with the early works in this area that found that the user's competence positively contributes to the implementation of a computerized accounting system (Moeller, 2011).

Furthermore, the fourth objective of the study was to examine the impact of cost capability on the implementation of CAS in Somalia. The findings revealed the companies consider the firm's capability to the initial cost of computerized accounting systems on the implementation of computerized accounting. This confirms the previous studies that reported the usefulness of making cost-benefit analysis systems when considering CAS implementation (Kapurubandara, 2016).

5.0 Conclusions

This section concludes the findings concerning the study's objective, which was to investigate the factors affecting the implementation of computerized accounting systems in Small and mediumsized in Mogadishu. Multivariate regression analysis was used to examine the impact of management commitment, human capital efficiency, business user competency, and cost capability on implementing computerized accounting systems in small and medium-sized enterprises. The first objective of this study was to examine the impact of management commitment on the implementation of CAS in Somalia. Based on the findings of this current research, the study concludes that computerized accounting systems improve the quality of the financial statement, increase the speed of financial statement preparation.

This study also concludes that computerized accounting systems facilitate the preparation of reports, give decision-making confidence, and improve the reports' quality. Furthermore, it has been concluded that the timing, importance, and understanding of the information contribute to the use and implementation of the computerized accounting system. The second objective was to the study was to examine the impact of the efficiency of the human capital on the implementation of CAS in Somalia. The study concludes that employees' knowledge of accounting and IT programs positively contributes to computerized accounting systems. The third objective was to examine the impact of users' competence on implementing CAS in Somalia. Based on the study results, it has been concluded that the technical knowledge, skills, and experience of business users positively contribute to the implementation of CAS. This study also concludes that the timing, importance, and understanding of the information significantly impact the use and implementation of the computerized accounting system.

The final objective of the study was to examine the impact of cost capability on the implementation of CAS in Somalia. This study concludes that the firms consider the company's ability to the initial cost of computerized accounting systems when the firm adopts a computerized accounting. The study also concludes the firms also undertake cost-benefit analysis on the implementation of computerized accounting systems.

5.1 Recommendations

According to the findings of this study, CAS has a significant and positive impact on the implementation of computerized accounting systems in small and medium-sized businesses. Those who haven't yet done so are encouraged to do so. They should recognize the value in doing so, despite the challenges they may experience at the beginning, such as the initial cost, employee training, and upkeep. As the findings show, the benefits of this Computerized Accounting system much outweigh the obstacles of putting it in place. Furthermore, the significant effects of computerized accounting systems on small and medium-sized business growth, which is recognized as an important tool for addressing in our society, will assist to assure small and medium-sized businesses' long-term suitability in terms of well-trained workers.

6.0 Reference

Sari, N. Z. M., et al. (2019). "Supply Chain Quality Accounting Information System With Business Strategy Effective In BUMN Bandung Indonesia." International Journal Of Supply Chain Management (IJSCM): 81-86.

Romney, M. B. and P. J. Steinbart (2015). "Sistem Informasi Akuntansi Edisi 13." Jakarta: Penerbit Salemba Empat.

O'brien, J. A. and G. M. Marakas (2011). Management information systems, McGraw-Hill/Irwin.

Petter, S., DeLone, W. and McLean, E.R. (2013). Information systems success: The quest for the independent variables. Journal of Management Information Systems, Vol. 29 (4), pp. 7–61.

(Imeokparia 2013)

Imeokparia, L. (2013). "Corporate governance and financial reporting in the Nigerian banking sector: an emperical study." Asian Economic and Financial Review 3(8): 1083.

Steinbart, P. J. and M. Romney (2009). Accounting Information Systems, Pearson Prentice Hall.

Taiwo, J. N. (2016). "Effect of ICT on accounting information system and organizational performance: The application of information and communication technology on accounting information system." European Journal of Business and Social Sciences 5(2): 1-15.

Alert, I. (2006). Local Business, Local Peace: The Peacebuilding Potential of the Domestic Private Sector, International Alert London.

Oladejo Moruf, O. and Y. Oluwaseun (2014). "An influential analysis of the impact of information technology (IT) on cooperative services in Nigeria." European Journal of Business and Innovation Research 2(3): 11-24.

Amoako, G. K. (2013). "Accounting practices of SMEs: A case study of Kumasi Metropolis in Ghana." International Journal of Business and Management 8(24): 73.

Rathnasiri, U. (2015). "The financial management practices of small and medium enterprises in Sri Lanka." Global Journal of Contemporary Research in Accounting, Auditing and Business Ethics (GJCRA) 1(2): 374-399.

Ismail, N. A., et al. (2003). "Computer-based accounting systems: the case of manufacturing-based small and medium enterprises in the Northern Region of Peninsular Malaysia." Jurnal Teknologi 39(1): 19-36.

Akande, O. (2016). Computerized Accounting System Effect On Performance of Entrepreneurs In SouthWestern Nigeria. ISER International Conference.

Romney, M. B. and P. J. Steinbart (2015). "Accounting information systems."

Adan, A. and T. Kising'u (2018). "Factors Influencing Humanitarian Aid Delivery in Mogadishu, Somalia: Case Study Sacid Non-Governmental Organization." Strategic Journal of Business & Change Management 5(2).

Reinecke, G. (2002). Small enterprises, big challenges: A literature review on the impact of the policy environment on the creation and improvement of jobs within small enterprises, International Labour Organization.

UNODC, W. and W. Undp (2013). "Unaids." Policy brief HIV prevention, treatment and care in prisons and other closed settings: a comprehensive package of interventions. UNODC.

Munasinghe, P. and D. Munasinghe (2015). Factors influence the usage of computerized accounting systems on small and medium-scale enterprises. International Conference on Contemporary Management, Faculty of Management Studies and Commerce, University of Jaffna.

Akande, O. (2011). "Accounting skill as a performance factor for small businesses in Nigeria." Journal of emerging trends in economics and management sciences 2(5): 372-378.

Padachi, K. (2012). "Factors affecting the adoption of formal accounting systems by SMEs." Business and Economics Journal.

Lose, T., et al. (2016). "Exploring the critical factors that hinder the growth of incubatees in South Africa."

Mohd Sam, M. F., et al. (2012). "The adoption of computerized accounting system in small-medium enterprises in Melaka, Malaysia." International Journal of Business and Management 7(18).

Chittithaworn, C., et al. (2011). "Factors affecting business success of small & medium enterprises (SMEs) in Thailand." Fjose, S., Grünfeld, L. A., & SQW, C. G. (2010). Identifying SME roles and obstacles to SME growth. MENON-publication(14). Asian social science 7(5): 180-190.

Lekhanya, L. M. (2016). "Determinants of survival and growth of small and medium enterprises in rural KwaZulu–Natal."

Adan, M. and T. Kising'u (2019). "Effect of conscious leadership on peacebuilding in Mogadishu, Somalia." The Strategic Journal of Business & Change Management 6(2): 781-798.

IFC, I. (2010). IEG Annual Report 2010, IFC.

Fan, J. C. and K. Fang (2006). ERP implementation and information systems success: a test of DeLone and McLean's model. 2006 Technology Management for the Global Future-PICMET 2006 Conference, IEEE.

Taiwo, J. N. (2016). "Effect of ICT on accounting information system and organizational performance: The application of information and communication technology on accounting information system." European Journal of Business and Social Sciences 5(2): 1-15.

Storey, D. J., et al. (2016). The performance of small firms: profits, jobs and failures, Routledge.

Amahalu, N., et al. (2017). "Comparative analysis of computerized accounting system and manual accounting system of quoted Microfinance Banks (MFBs) in Nigeria." International Journal of Academic Research in Accounting, Finance, and Management Sciences 7(2): 30-43.

Salehi, M. (2011). "A study of the barriers of implementation of accounting information system: Case of listed companies in Tehran Stock Exchange." Journal of Economics and Behavioral Studies 2(2): 76-85.

Karunananda, A. and A. Jayamaha (2011). Financial practices and performance of small and medium-sized enterprises in Sri Lanka. Proceedings of International Conference on Business & Information. Available from: Digital Repository. kln. ac. lk.

Mbelwa, L. (2015). Factors influencing the use of accounting information in Tanzanian local government authorities (LGAs): An institutional theory Approach. The Public Sector Accounting, Accountability and Auditing in Emerging Economies, Emerald Group Publishing Limited.

Al-Hiyari, A. and M. H. H. Al-Mashre (2013). "Nik Kamariah Nik. Mat, dan Jamal Mohammadesmail. Alekam. 2013. Factors that Affect Accounting Information System Impelementation and Accounting Information Quality: A Survey in University Utara Malaysia." American Journal of Economics 3(1): 2731.

Englund, R, & Bucero, A. (2006). Project Sponsorship: Achieving Management Commitment for Project success. John Wiley & sons. Inc., San Francisco.

Eldenburg, L., et al. (2010). "Behavioral changes following the collaborative development of an accounting information system." Accounting, Organizations and Society 35(2): 222-237.

Rahayu, S. K. (2012). "The factors that support the implementation of accounting information system: a survey In Bandung and Jakarta's taxpayer offices." Journal of global management 4(1): 25-52.

Ginzberg, M. J. (1980). "An organizational contingencies view of accounting and information systems implementation." Accounting, Organizations and Society 5(4): 369-382.

Bergeron, F., et al. (1995). "Determinants of EIS use: Testing a behavioral model." Decision Support Systems 14(2): 131-146.

Doll, W. J., et al. (1998). "Using Davis's perceived usefulness and ease-of-use instruments for decision making: a confirmatory and multigroup invariance analysis." Decision sciences 29(4): 839-869.

Petra, S. T. (2005). "Do outside independent directors strengthen corporate boards?" Corporate Governance: The international journal of business in society.