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Research Paper

Coercive Isomorphism and Financial Reporting Qualities of Listed Banks in Kenya: Moderating Role of Top Management

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Abstract
Purpose: *The paper pursues to assess the moderating power of top management on the association between coercive isomorphism on Financial Reporting Quality (FRQ).*
Design/ Methodology: *Descriptive research design was adopted to establish the association between predictor variables and financial reporting Qualities (FRQ). The target population comprised 1,128 employees. A sample size of 295 respondents was fund using well established formula by Yamane's 1967 in which stratified and method of simple random sampling was employed to constitute desired sample of employees. Multiple regression and Pearson correlation was used for inferential statistics. The data was then scrutinized and crosschecked for completeness and clarity.*
Findings: *The result indicates that coercive isomorphism and top Management positively and significantly influence financial reporting qualities of listed banks. The result further reveals that top Management significantly moderates the link between coercive isomorphism and financial reporting qualities of listed banks.*
Practical Implication: *The finding of the study is anticipated to aid in outlining the effects of Institutional isomorphism on financial reporting quality in developing economies. The result affirms that Institutional isomorphism boost the financial reporting Qualities. Kenyan financial statement preparers, public auditors, and accounting academics have become knowledgeable about the global alignments. This motivates the Kenyan practitioners and academics to pursue training and do international approved professional bodies examinations. The findings of the thesis is expected to give important and timely information to the Kenyan Accountant in making favorable judgements impacting accounting discipline, which in turn, support social, political and economic development in Kenya. The results are anticipated to generate significant effects for standard setters, regulators, the accounting discipline, the National and County governments and other stakeholder groups.*
Originality/Value*: The study attempt to show effect of top Management in the context of coercive isomorphism and financial reporting qualities in Kenyan listed banks. Furthermore, the study underscores the importance of top Management in coercive isomorphism which is a vital element to influence financial reporting qualities.*
Keywords: *Coercive Isomorphism, Top Management, Listed Banks, Financial Reporting Quality*

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I. INTRODUCTION

Listed banks plays a significant role in an economy by providing employment opportunity, income and services, to government and other stakeholders thereby improving national gross domestic products (GDP). Due to this, listed banks are needed to give information that fulfil the need of all the stakeholders. Banks for years have been using old methods, to issue and distribute financial information. This old-style of reporting has been recognized as untimely, inappropriate, and having deficient capability to accurately echo the corporate world present state (Richardson & Scholz, 2000); (Davis & C. Clements, 2003); (Lodhia, Allam, & Lymer, 2004). Interested parties are needed to stay for long in order for the paper-based financial statement is provided. This delay have a tendency to considerably decrease the importance and significance of the information to various stakeholders.

Isomorphism is a measure of institutional theory and is not novel to the financial reporting qualities (Lounsbury, 2008); (Tsamenyi, Cullen, & Gonzalez, 2006). Isomorphic refers a forcing practice that compel one element in a population to be identical to other unit facing similar set of ecological situations. Tuttle and Dillard in (Tuttle & Dillard, 2007) states that, "banks rival for social, political economic, institutional legitimacy as well as for resources and customers. The three kinds of isomorphic recognized by Scott, (Scott, 2014), DiMaggio & Powell (DiMaggio & Powell, 1983), specifically normative, mimetic, and coercive. Mimetic denotes banks read coping one other while coercive is a situation in which firms are being forced to follow the best practice of industrial leaders, and normative is the professionalization of standards (Dacin, 1997), it entails educational training as the joint struggle of members of a profession to explain the circumstances and techniques of their effort, and to institute intellectual base and legitimization for their professional independence (DiMaggio & Powell, 1983). The three types of isomorphic mechanism cited influence social and environmental disclosures.

Financial reporting qualities is a term originating from financial accounting system of commercial firm. It is a word generally applied in financial accounting studies (Bageva B, 2010). Financial reporting qualities is complete and clear accounting data that is not aimed to deceive users. Techniques focusing on specific features of the financial statement have frequently been applied to measure financial reporting qualities in the public and private sectors (Hirst, Hopkin, & Wahlen, 2004). While in listed banks operationalization of the qualitative features such as relevancy among others are used as a measure of financial reporting qualities (Braam & VanBeest, 2013); (Braam & VanBeest, 2013); (Beest, Braam, & Boelens, 2009).

Firms that publish quality financial reports gives to deferent stakeholders informed decision on it, permitting them to act in the marketplace with superior conditions and perfect market information (Jo & Kim, 2007). Chen et al. (Chen, Tang, Jiang, & Lin, 2010), establish that financial reporting qualities greatly shapes organizations investment efficacy in developing markets and hence boosts listed banks funding and reduces incentives to minimize profits for tax evasion purposes.

From evidence collected by this study, the quality of financial statements of Kenyan listed banks is declared to be modest by stakeholders of annual reports in Kenya, putting into attention, financial reporting qualities such relevance, faithfulness, understandability, comparability, and completeness. Thus, most studies recommend that Kenyan listed banks should try to attain higher reporting quality of their final accounts (Nyor, 2013).

The study was anchored on the following objectives: i. to examine the coercive isomorphic influence on financial reporting qualities of listed banks in Kenya and to establish the moderating influence of top management on the link between institutional isomorphic on financial reporting qualities of listed banks in Kenya.

The following Hypothesis were tested: Ho1: There is no significant link among coercive isomorphism and financial reporting qualities of listed banks in Kenya and Ho2: Top management doesn't moderate the link amongst influences of institutional isomorphism and financial disclosure qualities of listed banks in Kenya.

II. LITERATURE REVIEW

The current study is steered by institutional theory. The performances of listed banks are greatly affected by the banking environment in which they are situated. The culture aspect of the institutional setting outline to banks what is considered as right and how the global should (Barley & Tolbert, 1997). The study on listed banks backgrounds has brought up some exciting argument as to why banks that are situated within similar environment often look alike. Institutional theory is built on the view that banks positioned within the same setting are prone to follow similar structure, behavior and events (Shonk & Bravo, 2010). It has been for centuries ever since institutional philosophy first introduction into organizational studies (DiMaggio & Powell, 1983); (Tolbert & Zucker, 1994). Ancient studies into the institutional concept concentrated primarily on understanding why alike listed banks revealed strinking resemblances, how institution within environment shape bank's tactics and structures (DiMaggio & Powell, 1983).

Coercive Isomorphism and Financial Reporting Qualities

Aaron in (Aaron B, 2011) carried out a study on Coercive Isomorphic, Institutionalization and the Uniformity of plan in USA. A detailed survey method was used in this study over 279 administered questionnaires were issued to CEOs in which random sampling was conducted to choice the suppliers from ELM guide listings in order to offer a rational sample of the variety of listed banks in the locomotive dealer industry. The SPSS-PC program for statistical analysis was utilized to analyze the date. Major findings of this study are inter-organizational associations that depict the environments of most Companies may in fact cause businesses to select same strategies. This study recommends that coercive isomorphism arising from mutual dependence upon a limited number of clienteles may have a role in implementing the strategic decisions of managers in marketplaces and in strategic resource placements. In competitive market greater uniformity was established in market share and organizational pricing decisions. Generally, concerns experiencing greater coercive force tended to set price at or beyond market average, though pricing strategies of companies with lower coercive power are greatly more heterogeneous. Extremely dependent firms are superior in terms of homogeneity in market share. This study was conducted within one sector of industry categories auto suppliers and did not capture a wide group of Supplier Company in scope, products distribution, and production processes that were still competing within a particular industry.

Masocha and Olawale in (Masocha & Fatoki, 2018) conducted a study on *the Effect of Coercive Forces on Sustainability Practices of Small Businesses in South Africa*. The survey study method was used in this study in which questionnaires were issued to Small enterprise proprietors and agents. The structural equation modeling technique was applied to analyze facts using Maximum Likelihood Estimation approach in Amos Version 24 software. The main result for this research was that coercive forces have greater influence on sustainable development techniques which are social, ecological, economic and political. The results further show that coercive pressure for example state forces and legislative authorities have influence on small business relaying on social, economic, ecological and political developments. The result also revealed that governments, ecological pressure individuals and new participants demand put into attention that coercive forces like rules in forcing growing companies to embrace sustainable developments. In this study, the existing literature was scanty for the research of this degree. On this study it was found that Literature on intuitional isomorphism and sustainable practices are very inadequate. Empirical studies in these area are very scanty. Moreover, this study was done in Limpopo region. The results of this research rarely denote the South African perspective. However, for appropriate coverage study can be done on other parts of the nation and that the researcher recommends upcoming studies to explore similar ideas based on variances found in SMEs. Such variation might be global, national, regional, as well as industrial segments, size and duration. Overall, the study targets to narrow the research gap in banking regulation works by carry out a study on institutional isomorphism and financial reporting qualities and different dimensions of financial reporting qualities application in Kenya to add to the relatively limited studies about Africa. The study will contributes to the literature pertaining the application of institutional theory to financial reporting qualities. Based on the study, it is anticipated that Banks listed in Kenya will adhere to the legislative power employed by the Nairobi Securities Exchange, and Capital Market Authority.

Bananuka, Night, Ngoma and Muganga in (Bananuka, Night, Ngoma, & Najjemba, 2019) carried out a study on Internet financial reporting adoption: Establishing the impact of role of board performance and isomorphism forces in Uganda. The study applied cross-sectional and correlational methodology. Data was gathered by way of survey a questionnaire on 40 commercial firms. Data analysis was done using correlation coefficients and linear regression utilizing SPSS. The study outcomes revealed that board goal and isomorphic mechanism have significant influence on internet IFR. However, board role performance has negative effect on IFR in the incidence of isomorphic pressure. Majorly the boards have stronger positive and significant association with IFR distinct from the service role. Coercive isomorphism has positive and significant association with IFR separate the normative and mimetic isomorphic. The demerits was that, the study was of cross sectional nature. This suggests that the variance in performance for many years was not watched. Future scholars may focus on other elements of IFR in developing countries Future studies may adopt qualitative and mixed research technique. It is believed a study on institutional isomorphism and FRQ will offer an important impetus to this study.

Manini (Munir Manini, 2019) on his study entitled: Institutional Isomorphism and International Public Sector Accounting Standards Adoption by African States. A quantitative research method was employed. The initial sample consisted of 54 states; though the concluding sample comprised of 29 nations which included the dataset in which a logistic regression analysis was done. The study finding suggests that external income (coercive force), the state's overall competitiveness (mimetic element), and normative forces of isomorphism were not important elements in nations choice to adopt IPSAS. The main drawback of the study was that fewer countries in African were studied, nonetheless it is expected that some states implementing IPSAS will most likely increase. This study crates avenue for new areas for further study in spread of IPSAS.

Top Management Moderating Role

Liang, Saraf, Hu and Xue (Liang, Saraf, Hu, & Xue, 2007) examined on Assimilation of corporations systems: The influence of organizational forces and intervening responsibilities of senior managers in U.S.A. Survey technique was used to check the model whereby survey tool was developed by finding suitable measurements from a detailed literature review and hence partial least squares was employed for detailed analyses. The result of the study were mimetic forces strongly impact executive management beliefs, which in turn positively impact executive management contribution in ERP integration practice while level of ERP usage is positively affected by senior management contribution. The finding of this study also stipulates that senior management contribution is also positively affected by coercive mechanism without moderating of top management beliefs. Furthermore normative effect on ERP usage does not moderate top management participation but instead normative forces directly impact ERP application. The finding confirms that executive management role is vital in moderating the impact of institutional pressures on IT assimilation. Single source of data collection from customers of a sole ERP seller from China was employed limiting the scope of generalizing the findings. Sole seller choice did not make data accumulated from various firms more comparable as they applied similar ERP modules. A follow-up study should be done by collecting data from random sample of companies that implemented ERP product from several sellers and from deferent parts of the world. The assessment of the finding would definitely shed some exciting light on ERP integration practices under various industrial contexts. Considered multiple vendors, their components may differ too greatly to permit important understanding of the data or may entail impossibly huge sample and element for control.

Nyahas (Nyahas, Munene, Orobia, & Kaawaase, 2017) carried out a study on isomorphic influences on voluntary disclosure on Nigeria listed firms. The study applied cross-sectional method. Data gathering was survey questionnaire for mediating variable. Partial least squares PLSSEM was employed for data analyses. The study establishes that top management culture is positively and significantly linked with non-mandatory disclosure. Furthermore, it was proved that firm culture moderates link between firms' isomorphism and non-mandatory disclosure. This is due to the fact that companies' culture is an image of how it is more likely to react to outside environmental forces. This denotes that, even although firms isomorphism element has direct impact non-mandatory disclosure, their impacts are partially felt through firms practice. The major inherent limitation in this study was adoption of survey questionnaire which is prone to self-reporting bias. Furthermore, the study applied cross sectional method which did not capture variation in people's opinion overtime.

Mafabi, Munene, and Ntayi (Mafabi, Munene, & Ntayi, 2012) carried out a study on management of Knowledge on institutional Resilience, institutional innovation as a mediator in Ugandan's state corporations. The investigation applied a cross sectional methodology in gathering statistics employed to perform intercession analysis. The outcome of the research is that organizational Resilience is positively affected by innovation while the Knowledge management and organizational resilience has inverse and opposite relationship except through complete innovative mediation. This means; listed firms may not boost their level of resilience without organizational innovations. Across – sectional methodology used could not trace effect over a longer period of Knowledge based management and organizational innovation and organizational resilience in addition the research was limited due small sample size which covered only the parastatals in which the finding may vary with those of private firms. This study therefore recommended for longitudinal study methodology.

The study variables were conceptualized as in Figure 1.

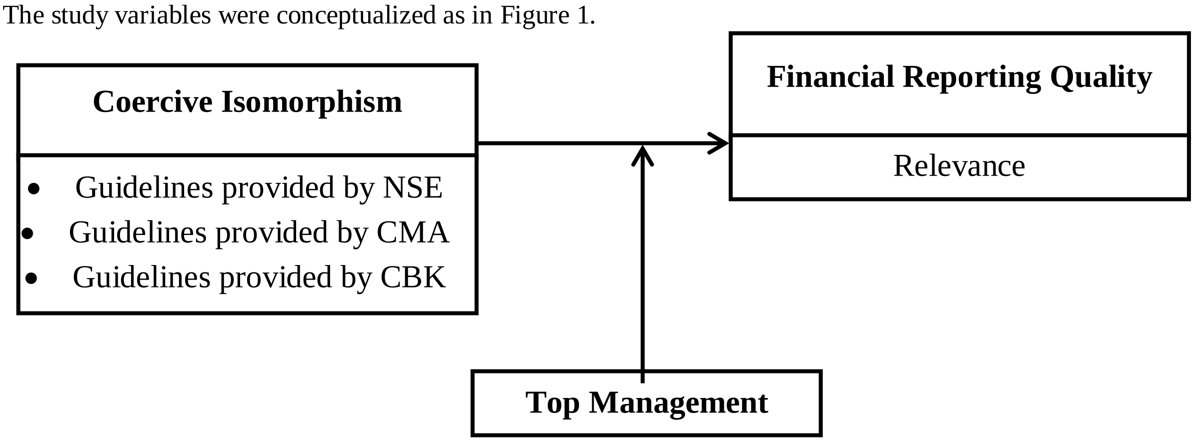

Figure 1: Conceptual Framework

The study was anchored on the subsequent objectives: i. to examine coercive isomorphic influence of on financial reporting qualities of listed banks in Kenya and to assess the moderating effect of top management on association amongst coercive isomorphic and financial reporting qualities of listed banks in Kenya.

The following Hypothesis were tested: Ho1: There is no significant link among coercive isomorphism and financial reporting qualities of listed banks in Kenya and Ho2: Top management doesn't moderate the link between coercive isomorphism and financial reporting qualities.

III. RESEARCH METHODOLOGY

Study Design

The study adopted a descriptive study technique often in the form of a survey to exam the link between the forecaster variables and FRQ. This design is suitable because it is appropriate in selecting part of the population to collect data that can be generalized on the entire research population on Institutional isomorphic influence on FRQ. The goals of this study is to find the prevalence of the outcome of concern, for the population or subclass within the population at a given in time.

Sample

The size of the sample population on interest was obtained by adopting finite population formula proposed by (Yamane, 1967) a well-known scientific formula for finding the sample sizes. It was built on 95% level of confidence therefore resulting to alpha of 0.05. The model is stated as: $n = \frac{N}{1+e^2N}$

Where:

n represents sample size N represents study population,

e represents tolerance at 5% (0.05) based 95% confidence level.

Using the above data, (n) was calculated as follows:

$$\frac{(1128)}{[1+0.05^2(1128)]} = 295.2880 = 295$$

This gives 295 respondents. The number of respondent in each group in the sample population was achieved by considering the ratio of each strata to the research population . For instance the first set in the sample table was attained at by dividing the number of respondents in group by the entire population and then multiplying the outcome by the total population sample.

Thus 295 sample size represents a target population of 1128. The size for each stratum was obtained using (Stratum Population / Target Population)* Sample Size

Variable Measurement

The dependent variable under consideration is FRQ whereas the predictor variable is coercive isomorphism and moderating variable is top management. Coercive was measured by guidelines issued by supervisory organizations such as the Nairobi Securities Exchange, the Capital markets authorities and the Central Bank of Kenya (CBK).

Data Analysis

The Statistical Package for Social Sciences (SPSS) was adopted to perform all the analysis for the study. Data was collected, collated and analyzed using both descriptive statistic and inferential statistic. Analyzes of the influence of Institutional isomorphism on FRQ the mean scores, standard deviation and variance was used. Pearson correlation coefficient was employed to establish degree of association amongst the dependent and independent variables. Besides, multiple regression analysis model was employed to test on linearity, multi co-linearity and normally distributed data.

IV. RESULTS

The study also investigated the actual meaning of Coercive Isomorphism in this with the real context. This was done by requesting respondents to give their opinions on the extent of the influence of Coercive Isomorphism on FRQ. The statements of interest were provided for on a Likert scale of 1 to 5. Where ***1- Strongly Disagree, 2- Disagree, 3- Not Sure, 4- Agree, 5- Strongly Agree.*** Table 4.14 shows the results. **Table 1:** Descriptive Statistics for Coercive Isomorphism

Statement	**1**	**2**	**3**	**4**	**5**	**Mean**	**Dev.**
We follow guidelines issued by capital market authority	0%	0%	4.6%	33.2%	62.2%	**4.576 (92%)**	**.582**
We follow guidelines issued by the Nairobi Securities exchange	0%	0%	2.5%	35.7%	61.8%	**4.592 (92%)**	**.541**
We follow guidelines issued by Central Bank of Kenya	0%	0%	1.3%	30.7%	68.1%	**4.67 (93%)**	**.498**
We follow guidelines issued by Public Sector Accounting Standard Board (PSASB)	5.5%	3.4%	10.9%	40.3%	39.9%	**4.06 (81%)**	**1.066**
The competitive conditions require our listed banks to apply FRQ	0%	0%	5%	52%	43%	**4.38 (88%)**	**.582**
The Kenya bankers association requires our Listed banks to embrace FRQ	0%	0%	5%	46%	49%	**4.45 (89%)**	**.584**
Overall Coercive Isomorphism. Mean = 4.4905 (89%), Std. Dev. = .35082, test vale= 66.7% t= 51.04, P-value = 0.00 < 0.05							

As showed in Table 1. most of the respondents, 62.2%, and 33.2% agreed that the listed banks adhere to guidelines provided by the capital market authority. A mean of 4.576 reveals that the level of adherence to guidelines issued by the capital market authority was moderate at 92% [mean = 4.576, Std. Dev. = 0.582].

Further, 61.8% of respondents' strongly agreed that listed banks follow to guidelines provided by the Nairobi Securities. A Mean of 4.592 indicated that the improvement in the level of adherence to guidelines provided by the Nairobi Securities was at 92%. [Mean = 4.592, Std. Dev. = 0.541]. The findings also disclosed that 68.1% of respondents strongly agreed with the level of adhering to guidelines provided by the Central Bank of Kenya had influenced FRQ [mean = 4.67, Std. Dev. = 0.498]. Matter of adherence to guidelines provided by the Public Sector Accounting Standard Board (PSASB), 40.3% of the respondents agreed that the listed bank adheres to guidelines provided by Public Sector Accounting Standard Board [mean = 4.06, Std. Dev. = 1.066]. Similarly, 52% of the responses also agreed that the competitive conditions require our listed banks to apply FRQ [mean = 4.38, Std. Dev. = 0.582]. Finally, 49% of the responses strongly agreed that Kenya bankers association requires our listed banks to embrace FRQ [mean = 4.45, Std. Dev. = 0.584].

Table 1 summarizes the overall mean score for the Coercive Isomorphic influence as 4.4905 (89%). The study wanted to establish if Coercive Isomorphism was significantly above average in FRQ of listed banks in Kenya. The null hypothesis H_0 was; there is no significant association between coercive influences and FRQ of listed Banks in Kenya. Since t= 51.04, p-value = 0.000 < 0.05, the null hypothesis was rejected and the study established that there was a substantial improved link between coercive isomorphism and FRQ of listed Banks in Kenya; since the growth in coercive influence was relatively constant.

Reliability Analysis for Coercive Isomorphism

The reliability of the scale was checked using Cronbach's Alpha Coefficient. The normal Cronbach's coefficient threshold was adopted from (Nannally & Bernstein, 1994) who recommended that in the primary stages of the study, is the hypothesized measures of constructs reliabilities. Reliability of .70 or above is considered adequate. The outputs are as in Table 2.

Table 2: Reliability Analysis for Coercive

Constructs	Number of Items	Cronbach's Alpha Score
Coercive Isomorphism	6	0.671

Findings in Table 2 reveals that Cronbach's alpha coefficient for Coercive Isomorphism was 0.671; a value slightly above the 0.6 threshold (Hair, Hult, Ringle, & Sarstedt, 2016) and hence is acceptable and can be relied on for further analysis.

Factor Analysis for Coercive Isomorphism

Factor communalities and loadings relying on principal components analysis with Varimax rotation for seven items was carried out to deliver the best defined factor structure for Coercive Isomorphism construct as a measure of construct validity. Sampling adequacy of the items used to make Coercive Isomorphism was measured using KaiserMeyer-Olkin (KMO) test. To check if these items were coming from a population with equal variance Bartlett's Test of Sphericity was used. The findings were as shown in Table 3 and 4.

Table 3: KMO and Bartlett's Test for Coercive Isomorphism construct

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.699
Bartlett's Test of Sphericity	Approx. Chi-Square	384.974
	Df	15
	Sig.	.0000

KMO test results for sampling adequacy in Table .3 indicate that the scale of the Coercive Isomorphism factor had value 0.699 which was more than the threshold of 0.5 according to Williams et al, (Williams, Onsman, & Brown, 2010), hence signifying acceptable level for Sampling adequacy. Bartlett's Test of Sphericity findings in Table 4.15 indicates that the samples of the factor are from populations with same variances [($ß^2_{15)}$ = 384.974, p = 0.000 < 0.05]. Thus the results of the study constructs were verified to be valid.

Table 4: Factor loadings and commonalities for six items that constitutes Coercive Isomorphism construct

Item	Factor loading	Communality
We follow rules issued by capital market authority	.859	.738
We follow rules issued by Nairobi Securities exchange	.772	.597
We follow rules issued by Central Bank of Kenya	.779	.606
We follow guidelines issued by Public Sector Accounting Standard Board (PSASB	.436	.190
The competitive conditions require our listed banks to apply FRQ	.644	.415
The Kenya bankers association requires our listed banks to embrace FRQ	.391	.153

The four communalities namely CMA, NSE, CBK and competitive conditions were all above 0.3 thresholds (Frydenberg & Lewis, 1993); this indicates that every element shared some similar variance with other elements except for PSASB and KBA. Only the four items in this analysis had primary loadings over 0.5 thresholds (Frydenberg & Lewis, 1993). Thus our dataset was acceptable for further analysis.

Normality, Linearity, Homoscedasticity and Presence of outliers in the scores of Coercive Isomorphism and FRQ constructs

The assumption of a normal distribution of coercive isomorphism construct was also ascertained by the study. At this phase, the study tested the null hypothesis that coercive isomorphism isn't significantly distinct from a normal distribution. To achieve this test the study used the Shapiro Wilk test. The outputs were captured as displayed in Table 5.

Table 5: Shapiro-Wilk Test for Normal Distribution of coercive isomorphism scores

	Statistic	Shapiro-Wilk test df	p-value
Coercive Isomorphism	.432	238	.820

As specified by the Shapiro Wilk test outputs, p-value = 0.820 is superior to 0.05 degree of freedom; thus the null hypothesis was rejected and the study confirmed that coercive isomorphism scores were significantly normally distributed.

To test for the assumptions of linearity, Homoscedasticity, and presence of outliers in the scores of coercive isomorphism and FRQ constructs, Normal p-p plot & Scatter plot of the standardized residuals were adopted. Figure 2 gives a summary.

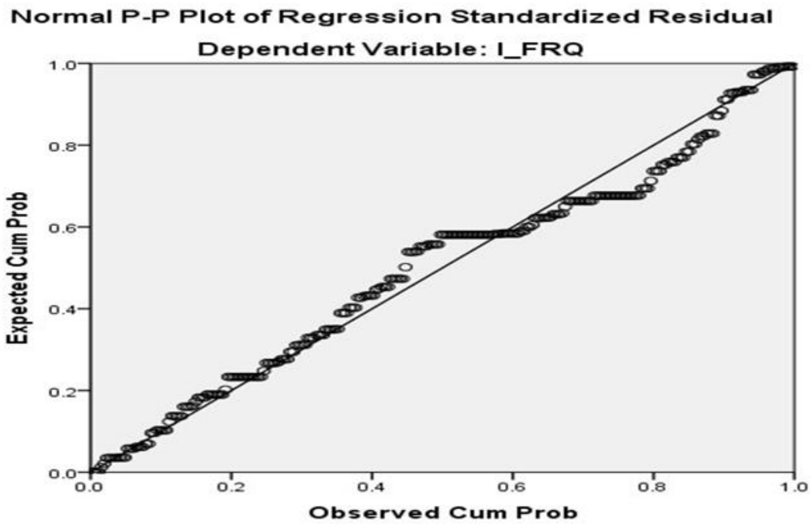

Figure 2: Normal p-p plot of regression standardized residual for coercive isomorphism

Figure 3 summarizes information on Scatter plot for standardized residual for coercive isomorphism

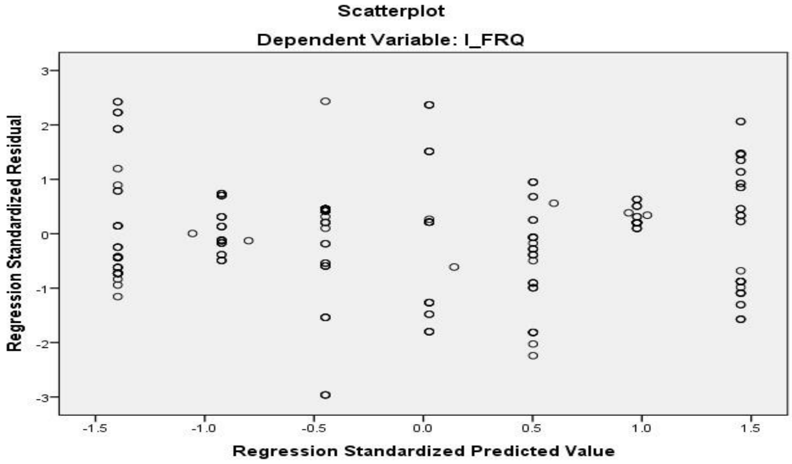

Figure 3: Scatter plot for standardized residual for coercive isomorphism

Linearity test

Linear regression involves checking if the association amongst the independent and dependent constructs is linear. Linearity assumption in this study was tested with a Normal p-p plot of regression standardized residual as shown in Figure 2. The points lie in a rationally straight diagonal line from bottom left to top right as indicated in the Normal Probability Plot; an indication of a linear relationship between coercive isomorphism and FRQ thus assumption for linearity was achieved.

Homoscedasticity test

This is the assumption that the dependent element shows the same amount of variance across the array of values for independent variable. In case of homoscedasticity, the disparity of residuals about forecasted scores of dependent variable, should be similar for all forecasted values. Figure 3 gives a Scatterplot of the standard residuals, the residuals are evenly rectangular distributed, with many scores gathered at the midpoint (along with the point). The standardized residuals are randomly distributed and are not organized in any systematic manner. Lack of the deviations of the residuals from a centralized rectangle indicates that the assertion of homoscedasticity was obeyed.

Outliers

Outliers are those variables with standardized residual values over 3.3 (or lower than –3.3). Linear Regression analysis is very sensitive to outliers (very great or lower scores). From figure 3, none of the standardized residuals is more than 3.3 or less than –3.3, indicating the absence of outliers in our dataset.

Correlation between Coercive Isomorphism and FRQ on listed Banks in Kenya

Pearson Moment Correlation coefficient was adopted in finding the strength and trend of the link between Coercive isomorphism and FRQ. The findings of the research are captured in Table 6.

Table 6: Correlation between Coercive Isomorphism and FRQ

		Coercive isomorphism
FRQ	Pearson Correlation	.496**
	Sig. (2-tailed)	.000
	N	238

The results in Table 6 reveal that Coercive isomorphism had a positive significant association with FRQ of listed Banks in Kenya. ($R = 0.496$, $p = 0.000$). Lyndsay in (Lyndsay & Kevin, 2009) suggested that a coefficient between +0.5 and +0.3 or -0.5 and -0.3 showed a moderate relationship. Thus, the study conclusion is that Coercive isomorphism had a significant strong positive association with FRQ.

Regression Analysis

The study employed the Simple Linear Regression method to establish the effect of FRQ. The following null hypothesis was tested;

H_{01}: Coercive element of isomorphism has no significant influence on FRQ of listed Banks in Kenya.

Table 7: Simple linear regression between Coercive isomorphism and FRQ of listed Banks in Kenya

Model Summary

Model	R	R Square	Adjusted R Square std.	Error of the Estimate
1	.458[a]	210	207	.42524

a. Predictors: (Constant), Coercive

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
Regression		11.358	1	11.358 .181	62.813	.000[b]
1	Residual	42.675	236			
Total		54.034	237			

a. Dependent Variable: I_FRQ

b. Predictors: (Constant), coercive

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.444	.355		-1.252	.212
	coercive	.624	.079	.458	7.925	.000

a. Dependent Variable: I_FRQ

The ANOVA outcome in Table 7 reveals that the dataset was well fitted by the Simple Linear Regression model [F (1, 236) = 62.813, P = 0.000< 0.05]. The model (Coercive isomorphism) explains 20.7% of the variation in FRQ of listed Banks in Kenya (Adjusted R^2 = 0.207). The outputs of coefficients in Table 7 indicates that Coercive isomorphism had a statistically significant contribution in the forecast of FRQ of listed Banks in Kenya, (ß = 0.624, t = 7.925, p=0.000<0.05); hence the null hypothesis was not accepted and deduced that Coercive isomorphism had a significant influence on FRQ of listed Banks in Kenya. Coercive isomorphism had a positive standardized beta coefficient = 0.458 in the coefficients results of Table 7; a signal that a Unit change in the Coercive isomorphism leads to an enhanced in FRQ of listed Banks in Kenya by 45.8%. The Simple Linear Regression model to predict FRQ of listed Banks in Kenya using Coercive isomorphism was as follows:

FRQ = -.444 + 0.624 Coercive isomorphism

These findings agree with the previous works of (Masocha & Fatoki, 2018) that conducted a study on The Impact of Coercive Pressures on Sustainability Practices of Small Businesses in South Africa and found that coercive isomorphism forces have a greater influence on all the mechanisms of sustainable growth which are social, environmental, political and economic. The result of this research indicates that coercive pressure like state forces and other legislative entities have influence on SMEs dwelling on social, political and economic sustainable practices. The result also reveals that national and county government change groups, and other interested parties demand putting into attention that coercive forces namely laws and legislations in compelling upcoming banks to embrace sustainable developments. The study was also in tandem with previous work of Bananuka, Night, Ngoma and Muganga (Bananuka, Night, Ngoma, & Najjemba, 2019) that carried out a study on Internet financial reporting adoption and found out that board role performance and isomorphism mechanism have a significant influence on IFR.

The initial objective of the research was to examine the effect of coercive isomorphic force on FRQ. To test this goal, the researcher set out the following null hypothesis; H01: There is no major association among coercive isomorphism and FRQ. Linear regression analysis was employed in the study to test the relationship amongst coercive isomorphism and FRQ. The output shown that, there exists a statistically significant positive correlation between coercive isomorphism and FRQ. Coercive isomorphism accounted for 20.7% variance in FRQ of listed bank in Kenya (Adjusted R2=0.207). Further, Coercive isomorphism have a positive standardized beta coefficient = 0.496 in the coefficients outcomes; a signal that a slight adjustment in the Coercive isomorphism is expected to cause an improvement in FRQ of listed bank in Kenya by 49.6%. Therefore, the null hypothesis of the study was rejected since there was a substantial association between Coercive isomorphism and FRQ of listed bank in Kenya.

Moderation influence of Top Managements on the association between Coercive Isomorphism and FRQ of listed Banks in Kenya

In Model (as shown in table 4.34) the interaction term between Coercive Isomorphism and the Moderator variable (Top Management) was added to the regression model between Coercive Isomorphism and

FRQ through Hierarchical Linear Regression analysis. The Interaction effect (ITC) contributed to a significant amount of the variance in FRQ of listed Banks in Kenya as indicated in model 2 results, R2 change = 0.218, F-change =18.631, ß = 0.371, t (238) =4.316, p=0.000<0.05: signifying that there was a potentially significant moderation influence by Top Management on the association between Coercive Isomorphism and FRQ of listed Banks in Kenya. The moderated Regression model was therefore given as;

FRQ = -0.328 + 0.506COER + 0.022ITMC

Where;

FRQ = FRQ

COER = Coercive Isomorphism

ITMC = Interaction between Top Management and Coercive Isomorphism

Limitations

The main setback of the study lies in the use of data drown only from banks listed in Nairobi Security Exchange in Kenya. The management and bank structure of listed banks are bound to be different from those of unlisted banks because of rapid competition between the banking sectors in Kenya.

V. CONCLUSION

The main study objective was to explore the moderating power of top management on the link amongst Coercive isomorphic influence and FRQ of listed banks in Kenya. The null hypothesis was not accepted as there existed a statistically important positive moderating power of top management on the link among coercive isomorphism and FRQ. Majority of respondent's revealed coercive isomorphism has improved FRQ of banks listed NSE

VI. RECOMMENDATIONS

Listed banks in Kenya should be committed to strengthen their Coercive institutions isomorphism and publish financial statements in line with existing regulations to enhance stakeholder confidence.

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