

## Effects of Enterprise Resource Planning (ERP) on the Financial Performance of Funeral Companies

Newman Wadesango<sup>1</sup>, Clarence K. Karaga<sup>2</sup>, Sitsha Lovemore<sup>3</sup>

**Abstract:** The research sought to determine the effects of enterprise resource planning (ERP) on the financial performance of WADE Funeral Services. Furthermore, those charged with the governance of WADE Funeral Company averred that the rampant changes in the digital environment with the introduction of Artificial intelligence, (AI), internet of things (IOT) and crypto services such as block chains is compromising the effectiveness of ERPs. The entity has been facing financial woes as it strives to keep pace with system upgrade costs, system updates, system maintenance and training costs. The financial performance of the entity has reached a milestone between the past 3 successive years from 2020 to 2022 as far as decreasing financial trajectories are concerned. The study adopted a mixed research approach. Data were collected using questionnaires and interviews. The study targeted 73 participants working at WADE Funeral Company's head offices. It emerged that Adopting ERP affects the financial performance of WADE Funeral Company. Enterprise resource planning helps to corroborate resources and effectively optimize data management thereby improving the performance of corporate entities. WADE Funeral Company does not have the requisite technological infrastructure so embracing ERP can expose these firms to marginal costs. ERP help in streamlining administration and automating resource management, through ERP help to enhance efficiency and effectiveness. WADE Funeral Company is struggling to embrace and harness proceeds of ERP software due to political interference, economic oscillations, legal regulations, technological dynamism, illiteracy levels and poor management and leadership styles. There is a raft of factors which affects the implementation of ERPs in funeral services companies, and these can be internal or external factors.

**Keywords:** Enterprise Resource Planning (ERP); Financial Performance; WADE Funeral Services; external factors; internal factors

**JEL Classification:** M41; M49

### 1. Introduction

The term enterprise resource planning (ERP) was defined by Harrison (2021) who averred that, it refers to an integrated system which help to effective streamline administration processes using automated software. According to Obrien (2021) ERP refer to an application software which can integrate business functions and operations to enhance effective monitoring and harmonization of

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costs. The concept of enterprise resources planning (ERP) gained prominence in the late 1980s when there was a paradigm shift in the digital landscape which promulgated the introduction of an integrated system that streamline processes and improve operational efficiency (Vargas, 2020). Studies conducted in Spain, Italy and China by Torres (2021) revealed that enterprise resource planning help to corroborate resources and effectively optimize data management thereby improving the performance of corporate entities. However, in contrary a study was conducted on funeral service companies in Thailand by Shaiti (2020) who postulated that ERP is highly esoteric in funeral companies. Sulphey (2021) aired that the effectiveness of ERP can be compromised by political interference since politicians can override corporate plans to perpetuate their political agendas.

The debate in literature was funnelled to the African continent by Muiña (2021) who alluded that embracing ERP help companies to trace costs to cost centres and apply real-time strategies required to circumvent financial quagmires and conundrums. On that note, Katuu (2020) sampled funeral companies in Ghana and Nigeria and alluded that streamlining administration and automating resource management through ERP help to enhance efficiency and effectiveness. However, companies can make comprehensive financial forecasts and reinforce internal controls using ERP. This view was opposed by Kappenman (2021) who asserted that most public entities do not have the requisite technological infrastructure so embracing ERP can expose these firms to marginal costs. Digital systems which are linked by end-to-end terminals are prone to cyber-attacks such as database hacking, phishing and SQL injection (Bamufleh, 2021). This divergence in thoughts of researchers creates a room for further studies.

The Funeral Assurance Regulatory Board of Zimbabwe expressed concern over the excessive decrease in the financial performance of funeral service companies over the past three successive years from 2020 to 2022. The operational review report (2022) revealed that due to poor optimization of funds accentuated by high illiteracy levels, more than 75% of funeral service companies in Zimbabwe are experiencing descending financial trajectories. Most companies in Zimbabwe are struggling to embrace and harness proceeds of ERP software due to political interference, economic oscillations, legal regulations, technological dynamism, illiteracy levels and poor management and leadership styles, (Chipanga, 2021). According to (Marsudi, 2021) in 2021 a total of 13 small to medium development funeral companies in Zimbabwe were closed due to financial difficulties while 5 in marginalized remote areas were nationalized due to their inability to effectively management funds and provide the requisite funeral planning, assurance, burial and repatriation services.

Furthermore, cases of system overrides have been on a rise in the funeral service industry of Zimbabwe due to lack of an integrated systems which connects all departments and allow companies to measure any deviations from the strategic objectives. According to the operational review report (2021) 46% of employees in funeral service companies do not have the prerequisite financial literacy so the adoption of ERP has posed more harm than good since they cause the companies incur marginal costs in terms of installation, training, repair and maintenance expenses. Fin-Stats (2021) revealed that the majority of funeral service companies in Zimbabwe are not using ERP software such as SAP ERP, Oracle ERP cloud, Microsoft dynamics 365 and NetSuite ERP which allow companies to automatically trace operational processes in order to enhance efficiency and effectiveness (Imamuddin, 2021). In 2022, a total of 3 funeral companies in Zimbabwe adopted ERPs to resuscitate their operational and financial performance however, these there have been experiencing substantial decreases in their financial performance. This captured the attention of the researcher and prompted the need for an exhaustive research study.

Those charged with the governance of WADE Funeral Company averred that the rampant changes in the digital environment with the introduction of Artificial intelligence, (AI), internet of things (IOT) and crypto services such as block chains is compromising the effectiveness ERPs. According to WADE operational review report (2021) the entity has been facing financial woes as it strives to keep pace with system upgrade costs, system updates, system maintenance and training costs. Currently, WADE is contemplating on whether to abandon the ERP which it adopted basing on the financial report (2023). Financial report (2023) revealed that the financial performance of the entity has reached a milestone between the past 3 successive years from 2020 to 2022 as far as decreasing financial trajectories are concern. The Director of Finance averred that the firm has a cluttered management systems which does not integrate financial activities, planning, engineering, human resources management, procurement and customer relationship management (CRM) (Financial report, 2022). WADE Funeral Company has been struggling to generate sufficient revenue from its funeral insurance services, planning & burial services as well as repatriation services. WADE uses a partially integrated accounting system which is not automatically integrated with other departments hence optimization of costs is a tapestry attempt since its difficulty to trace costs to cost drivers and centres.

An extract of the financial performance of WADE Funeral Company shown in table 1.1 above reveal that the budget performance has been declining over the past three years from 51% in 2020 to 30% for 2021 and 2022. Further actual revenue collection has also been failing over the years. Furthermore, according' WADE s financial report (2022) the financial manager expressed concern over the persistent decrease in the financial performance of the company from 2020 to 2022. The chief accountant further asserted that these financial conundrums are principally amplified by lack of knowledge on how to use an integrated ERP system which can optimize financial resources and improve operational efficiency. However, the sentiments were argued by the internal audit manager who averred that WADE funeral Service Company is failing harness proceeds from the adoption of ERP since it does not have the requisite technological infrastructure and literate human capital. This continuous debate in literature captured the attention of the researcher and prompted the need for a more decisive research inquiry.

### **1.1. Research Methodology**

A mixed research approach was used in this study. The study targeted 73 participants working at WADE Funeral Company's head offices. The reason why the researchers chose these participants was because they work with computer systems on a regular interval and there are academically informed and practically aligned. An aggregated number of 51 participants were sampled from the 73 targeted respondents using a sampling formula introduced by Morgan and Krejcie (1980). The reason why the researchers opted for the formula was because it's clear, concise and straightforward. Data were collected using interviews and questionnaires.

$$n = \frac{x^2 NP(1 - P)}{e^2(N - 1) + x^2 P(1 - P)}$$

Chi-square value = 3.841

Population proportion = 0.5

Population Size = 73

Acceptable margin of error ( $e^2$ ) = 5%

Sample size = n

$$n = \frac{3.841 * (73 * 0.5)(1 - 0.5)}{0.05^2 * (73 - 1) + 3.841 * 0.5(1 - 0.5)}$$

$$n = \frac{60.44475}{0.465 + 0.9345}$$

$$n = 51$$

The sample size was further determined and shown in the table below:

**Table 1. Targeted Population, Sample Size and Percentage**

Population identity	Population size	Sample size	Sample %
Managers and assistants	8	8	100%
Internal auditors	49	32	67%
Risk officers	2	2	100%
Accounting clerks	1	1	100%
Accounting officer	1	1	100%
Executive directors	12	7	58%
<b>Total</b>	<b>73</b>	<b>51</b>	<b>70%</b>

Source: Primary data sources (2023)

## 1.2. Model Development

This research model was developed to effectively ascertain the impact of ERP on the performance of local authorities in Zimbabwe using WADE Funeral Company as a case study. Furthermore, inferential statistics and other research tools were consulted to ascertain the correlation between the enacted variables. The formula and the key below show the components of the equation:

$$\text{LN} (P / (1-P)) = B_0 + B_1X_1 + B_2X_2 + \dots + B_kX_k$$

Where :  $\ln ()$  is the natural logarithm function

:  $P$  is the probability of the outcome variable (e.g., success or failure)

:  $B_0$  is the intercept (i.e., the value of  $\ln (p / (1-p))$  when all independent variables are equal to zero)

:  $b_1, b_2, \dots, b_k$  are the coefficients of the independent variables  $X_1, X_2, \dots, X_k$ ,

Respectively.

:  $X_1, X_2, \dots, X_k$  are the values of the independent variables

## 1.3. Main research question

What is the effect of Enterprise Resource Planning (ERP) on the financial performance of WADE funeral services?

## 2. Factors which Affect the Implementation of ERP in Funeral Services Companies

There is a raft of factors which affect the implementation of ERPs in funeral services companies, and these can be internal or external factors.

### 2.1. Financial Illiteracy

Studies conducted by Obrien (2020) on funeral services companies operating in Africa revealed that the implementation of ERP models can be affected by financial illiteracy. Most employees in funeral services companies are not employed basing on their academic or professional qualifications but they are recruited as corporate social responsibility. Since funeral services companies are public entities which seek to improve the standards of livings for community members, they tend employ unqualified community members. Furthermore, the view was also supported by Sunder (2021) who averred that the majority of employees in funeral services companies are employed basing on their political affiliations, so they won't have the exclusive knowledge on ERP issues and how to improve corporate performance. Lewis (2020) added that the lack of financial knowledge hamper employees from effectively optimizing scarce financial resources required to introduce a holistic ERP model. In

addition, financial illiteracy increase training costs, workshop and seminar costs since employees will be send to attend training programs which increase expenses and reduce financial performance. Furthermore, without the financial know how companies cannot effectively budget and make future investments.

### **2.1.1. Organizational Structure and Management Style**

According to Shawn (2020) the implementation of ERP can be affected by the organizational structure. In organizations which are centralized, and decisions are made at head office level, the decision making process is usually slow which affects the implementation of ERP. Further, centralized organizations are rigid and bureaucratic which demotivates employees and dismiss the zeal to implement a good ERP (Cain, 2020). Bureaucratic organizations incur marginal costs associated with training floor workers on how to implement decisions enacted by executives and management. However, branches usually do not perform to standard since they won't have enough information on what to do, how to do it and when to do it. This then implies that, the implementation of ERP can be affected by management style, this is because when managers are using an autocratic management style, employees will be demotivated and hinder the process. In essence the fear of the unknown and resistance to change can also affect the implementation process.

### **2.1.2. Political Interference and Economic Changes**

Political interference is very profound in the public sector as those in politics use their political affiliations to manipulate business operations. Politicians can affect the implementation of a good ERP since they will be sceptical that the implementation process can compromise their political aspirations and endeavours (Harrison, 2020). Furthermore, economic turbulences and oscillations can also limit companies from accessing the prerequisite financial resources required to implement ERP and improve efficiency. According to Brown (2020) market changes cause price hikes which reduce purchasing power and the value of money hence making it difficult to effectively implement ERP.

### **2.1.3. Technological Changes and Legal Regulations**

Empirical studies coined by Braun (2021) revealed that the implementation of ERP can be significantly affected by technological changes since companies will be striving to keep pace with changes in technology which in turn cause an increase in operational costs. Furthermore, technology requires skilled personnel who can update and upgrade the system which increase marginal costs. According to Pinto (2021) legal regulations also affects the implementation process since companies will be required to adhere with stringent laws, policies and standards. Furthermore, violations of legal regulations can result in penalties and fines which reduce financial and operational performance of funeral services companies.

### **2.1.4. Measures which can be used to Curb Factors Which Inhibits the Implementation of ERP in Funeral Services Companies**

On financial illiteracy challenge, most employees in funeral services companies are not employed basing on their academic or professional qualifications but they are recruited as corporate social responsibility. Since funeral services companies are public entities which seek to improve the standards of livings for community members, they tend employ unqualified community members. Therefore, companies should send their employees to trainings, workshops and seminars to improve financial illiteracy. Lewis (2020) also asserted that lack of financial knowledge hamper employees from effectively optimizing scarce financial resources required to introduce a holistic ERP model.

Furthermore, without the financial know how companies cannot effectively budget and make future investments. Employees should be capacitated on financial related issues to improve their operational efficiency.

The implementation of ERP can be affected by the organizational structure. Bureaucratic organizations incur marginal costs associated with training floor workers on how to implement decisions enacted by executives and management. However, to circumvent the challenge funeral services companies should decentralize decision making powers to eradicate delays in decision making. The structure of an organization can also affect decision making since information will be disseminated down to the periphery passing through multiple bureaucratic layers with many employees. Furthermore, according to Cain (2020) funeral companies should decentralize decision making powers to circumvent drawbacks posed by organizational structure. Furthermore, corporate entities should deduce effective communication channels to enhance efficiency and minimize communication loopholes (Lewis, 2020).

On factors which affect political interference, politicians can affect the implementation of a good ERP since they will be sceptical that the implementation process can compromise their political aspirations and endeavours (Harrison, 2020). Politicians should be educated through political gatherings on how political interference affects the implementation of ERP. Furthermore, economic turbulences and oscillations can also limit companies from accessing the prerequisite financial resources required to implement ERP and improve efficiency. According to Brown (2020) market changes cause price hikes which reduce purchasing power and the value of money. To curb the challenge those charged with governance of funeral services companies should deduce effective ways needed to counter economic constraints and maximize the creation of a safe ground required to enhance effective implementation of ERP.

### **2.1.5. The Impact of Adopting ERP on the Financial Performance**

Empirical research studies carried out in Africa by Katuu (2020) sampled funeral services companies in Ghana and Nigeria and concluded that streamlining administration and automating resource management through ERP help to enhance efficiency and effectiveness. Studies conducted by Muiña (2021) revealed that embracing ERP help funeral services companies to trace costs to cost centres and apply real-time strategies required to circumventing financial quagmires and conundrums. Digital systems which are linked by end-to-end terminals are prone to cyber-attacks such as database hacking, phishing and SQL injection (Bamufleh, 2021). The concept of ERP gained prominence in the late 1980s when there was a paradigm shift in the digital landscape which promulgated the introduction of an integrated system that streamline processes and improve operational efficiency (Vargas, 2020). This divergence in thoughts of researchers created a room for further studies. The ministry of public affairs in Malawi alluded that local authorities have a cluttered management systems which does not integrate financial activities, planning, engineering, human resources management, procurement and customer relationship management (CRM) (Kean, 2021).

### **2.1.6. Effects of ERP on the Quality of Service Delivered by Funeral Services Companies**

Empirical research studies conducted by Smith (2021) in France using 23 funeral companies and measures of central tendency revealed that ERP can positively affects the quality of services delivered by funeral companies. Furthermore, Moore (2020) used a simple linear regression and results of the study revealed a p-value of 0.40 and an adjusted  $r^2$  of 0.999. Furthermore, the researcher also used descriptive statistics and results of the study revealed that the mean was 3.012 while the standard

deviation was 0.125 which implies that there is a strong correlation between the research variables. Changes in one variable can cause the other variable to change. Obrien (2020) also using a stratified sampling technique and a convenient sampling technique, results of the study revealed that ERP help to improve the quality of services delivered by funeral companies. Harrison (2020) also used a hypothesis with HO: ERP positively affects the quality of services delivered, H1: ERP negatively affects the quality of services delivered and H2: ERP does not affect the quality of services delivered by funeral companies. Results of the study concluded that a positive correlation exists between the enacted research variables.

## **2.2. Factors which affect the Implementation of ERP in Funeral Services Companies**

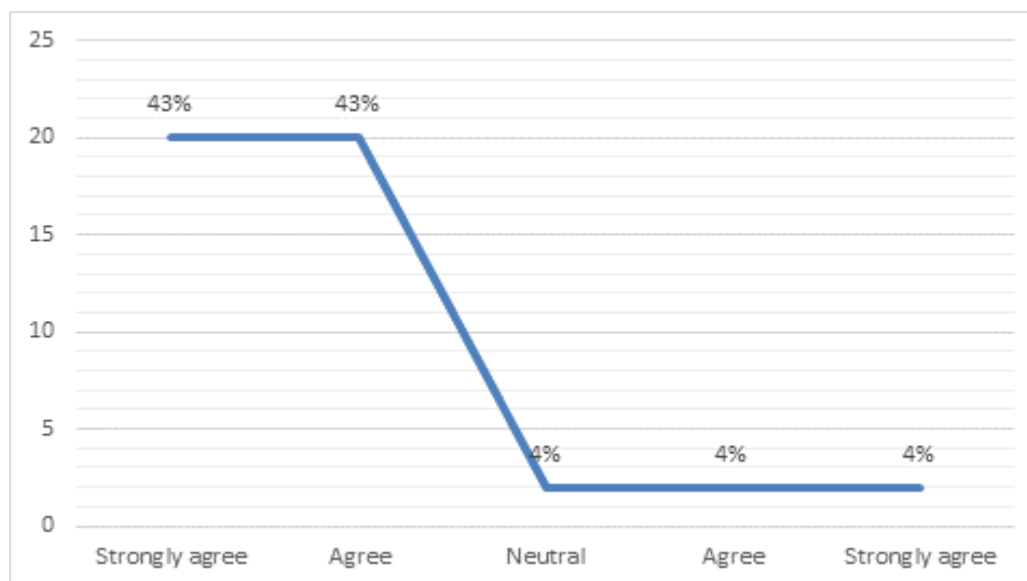
Empirical research studies conducted by Brant (2021) revealed that there are a variety of factors which affects the implementation of ERPs in funeral companies these can be internal or external factors. Studies conducted by Obrien (2020) on funeral companies operating in Africa using a qualitative research approach revealed that the implementation of ERP models can be affected financial illiteracy. Furthermore, many employees in funeral companies are not employed basing on their academic or professional qualifications but they are recruited as corporate social responsibility. Shawn (2020) also sampled 12 funeral companies operating in Asia using the T-test and Dutch approach results of the study revealed that the implementation of ERP can be affected by the organizational structure. Furthermore, in organizations which are centralized and decisions that are made at head office level, the decision-making process is usually slow which affects the implementation of ERP. Brown (2020) also sampled 23 funeral companies operating in Uganda and averred that political interference is very profound in the public sector as those in politics use their political affiliations in order to manipulate business operations. Empirical studies coined by Braun (2021) revealed that the implementation of ERP can be significantly affected by technological changes since companies will be striving to keep pace with changes in technology which in turn cause an increase in operational costs.

### **2.2.1. Measures which can be used to curb Factors which Inhibits the Implementation of ERP in Funeral Services Companies**

Empirical research studies conducted by Luke (2020) using a pilot approach and the Cronbach Alpha revealed the implementation of ERP models in funeral companies. On financial illiteracy challenge, research findings of Pinto (2021) revealed that companies should send their employees to trainings, workshops and seminars to improve financial illiteracy. Furthermore, without the financial know how companies cannot effectively budget and make future investments. Studies of Fayol (2020) revealed that the implementation of ERP can be affected by the organizational structure. To circumvent the challenge funeral companies should decentralize decision making powers and eradicate delays. On political interference, politicians should be educated through political gatherings on how political interference affects the implementation of ERP (Shawn, 2020). The findings of Dan (2020) revealed that the implementation of ERP can be significantly affected by technological changes as technology requires skilled personnel who can update and upgrade the system which increase marginal costs.



### 3. Data Presentation, Analysis and Discussion



**Figure 1. The Impact of Adopting ERP on the Financial Performance**

*Source: Primary data sources*

Findings revealed that 20/46 respondents strongly agreed giving 43% response rate. Furthermore, 20/46 respondents also agreed giving 43% response rate. This implies that most respondents strongly agreed that adopting ERP affects the financial performance of WADE Funeral Company. The modal number of respondents with 43% response rate unveiled that enterprise resource planning help to corroborate resources and effectively optimize data management thereby improving the performance of corporate entities. 20/46 respondents with 43% response rate also alluded that the effectiveness of ERP can be compromised by political interference since politicians can override corporate plans to perpetuate their political agendas. All the interviewees asserted that most public entities do not have the requisite technological infrastructure so embracing ERP can expose these firms to marginal costs. Both interviewees and participants agreed that streamlining administration and automating resource management through ERP help to enhance efficiency and effectiveness. The notion was supported by Muiña (2021) who averred that embracing ERP help funeral services companies to trace costs to cost centres and apply real-time strategies required to circumventing financial quagmires and conundrums.

More than half of the respondents averred that WADE funeral companies have a cluttered management systems which does not integrate financial activities, planning, engineering, human resources management, procurement and customer relationship management. More than half of the interviewees alluded that due to poor optimization of funds accentuated by high illiteracy levels, most funeral services companies in Zimbabwe are experiencing descending financial trajectories. WADE Funeral Company is struggling to embrace and harness proceeds of ERP software due to political interference, economic oscillations, legal regulations, technological dynamism, illiteracy levels and poor management and leadership styles. Due to poor enterprise resource planning the company has been experiencing increasing operational challenges since the number of uncompleted infrastructure projects such as the construction of clinics, schools, roads and water related projects was increasing from 2020 to 2022.

Furthermore, 43% of the respondents averred that lack of an integrated system which can streamline processes and enhance effective corroboration of departments is a major impediment to monitor

performance. During an interview, an interviewee averred that, “*Financial challenges are principally amplified by lack of an integrated ERP system which can optimize financial resources and improve operational efficiency*”. Furthermore, all the interviewees alluded that a case of embezzlement by those charged with the distribution process has been on the rise due to lack of a corroborated digital system which can integrate processes and enhance transparency. The notion was supported by Marsudi (2021) WADE Funeral Company do not have the prerequisite financial literacy so the adoption of ERP will cause companies to incur marginal costs in terms of installation, training, repair and maintenance expenses. All the interviewees averred that companies are struggling to generate sufficient revenue due to failure to tap revenue from its revenue data base owing to manual distribution of invoices which is not effective given the distance between each client to the other.

### 3.1. Regression Analysis

To analyse quantitative data, a simple linear regression model was used in this study. The model is used to decisively ascertain the correlation between ERP and the financial performance of WADE Funeral Company.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919 <sup>a</sup>	.856	.853	.186

a. Predictors: ERP

b. Dependent: Financial performance

The regression model revealed in a summary a coefficient of determination ( $r^2$ ) of 0.919 which is close to one. This means that one variable (dependent) can strongly affect the other variable (independence). Furthermore, the r-squared of 0.856 revealed that the variability of financial performance and its determinants can be strongly determined by changes in ERP. The adjusted R-squared of 0.853 shows the effective or suitability of the regression model used in the study.

**ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.121	1	9.121	312.312	.003 <sup>b</sup>
1 Residual	1.845	72	.075		
Total	11.456	73			

a. Dependent Variable: Enterprise resource planning

b. Predictors: Financial performance.

The ANOVA model revealed a Sig of 0.003 which is below 0.05. This implies that the Null hypothesis ( $H_0$ : Which averred that Enterprise resource planning do not affect the financial performance of WADE funeral Company.) should be rejected and an alternative hypothesis ( $H_1$ : which averred that ERP positively affects the financial performance of funeral companies.

## Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.121	.654		1.112	.004
	ERP	.375	.065	.989	2.454	.003

a. Dependent Variable: Financial performance

The modal unveils that a strong negative correlation exists between ERP and financial performance. The p-value of 0.003 revealed that the variability of variables can be determined by another variable. For instance, changes in the ERP can cause changes to the financial performance of WADE Funeral Company.

$$\text{LN} (P / (1-P)) = B_0 + B_1X_1 + B_2X_2 + \dots + B_kX_k$$

Where :  $\ln ()$  is the natural logarithm function

: P is the probability of the outcome variable (e.g., success or failure)

:  $B_0$  is the intercept (i.e., the value of  $\ln (p / (1-p))$  when all independent variables are equal to zero)

:  $b_1, b_2 \dots b_k$  are the coefficients of the independent variables  $X_1, X_2 \dots X_k$ ,

Respectively.

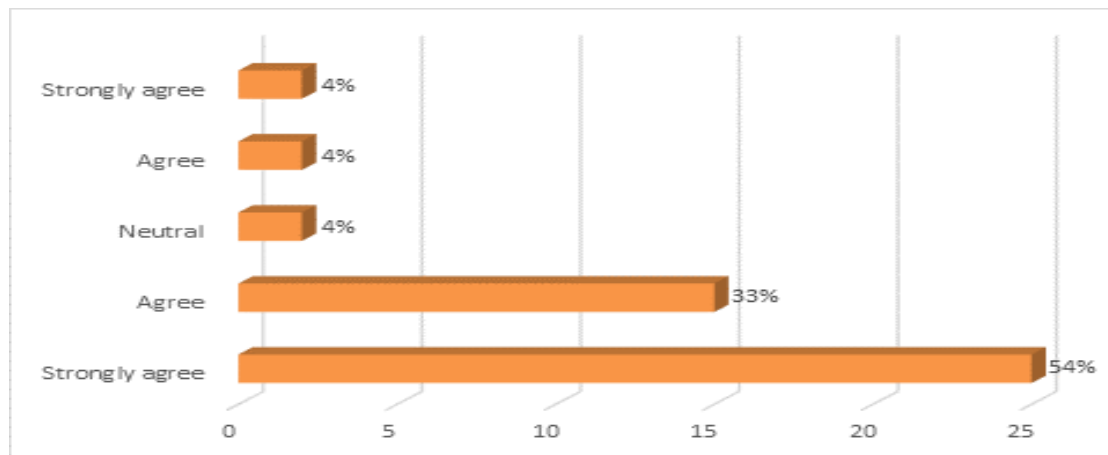
:  $X_1, X_2 \dots X_k$  are the values of the independent variables

$$\text{LN} (P / (1-P)) = B_0 + B_1X_1 + B_2X_2 + \dots + B_kX_k$$

$$\text{LN} (0.5 / (1-0.5)) = 0.989 + 0.654 X 1.121 + 0.65 X 0.375 + 2.454 X 0.65$$

$$\text{LN} = 2.452$$

The statistical model also supports the fact that enterprise resource planning positively affects the financial performance of WADE Funeral Company. The 2.452 statistical result revealed a strong correlation between the research variables.

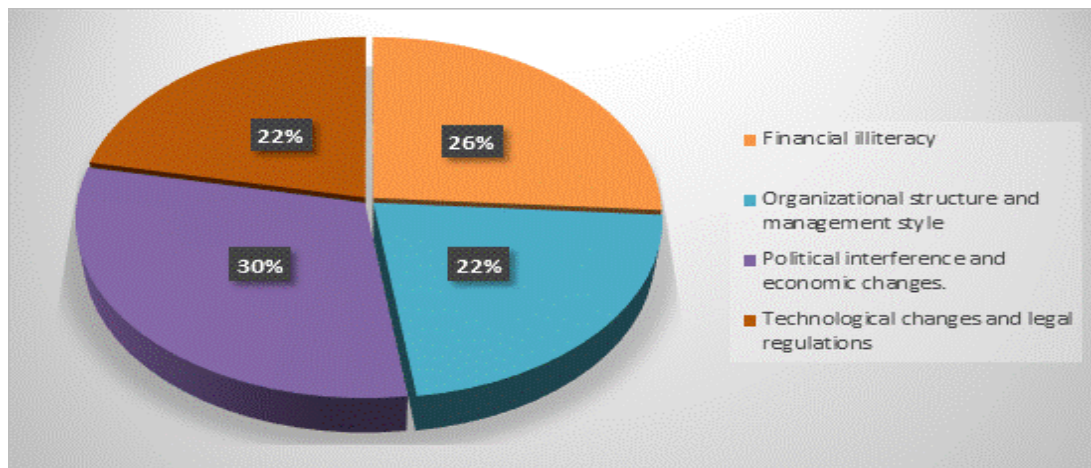


**Figure 2. Effects of ERP on the Quality of Service Delivered by Funeral Services Companies**

Research findings revealed that, 54% of the respondents strongly agreed that ERP plays a significant role in improving the quality of services delivered by funeral services companies since they allow corporate entities to effectively corroborate resources in order to enhance efficiency and effectiveness. Furthermore, all the interviewees averred that, ERP is an integrated financial, human resources (HR), manufacturing, supply chain management (SCM) and customer relationship management (CRM) system which help to ensure capacity utilization, employee motivation, productivity and resource mobilization. Furthermore, 33% of the respondents averred that with ERPs corporate entities can automatically corroborate resources and easily monitor points of entry and exit in the organization to promote cooperation and coordination (Harry, 2020). However, the notion was supported by Shawn (2020) who averred that ERP do not directly contribute to the quality of services since the application require marginal costs of training, monitoring and implementation. Furthermore, 54% of the respondents averred that with effective ERP corporate entities especially funeral services companies with offices in marginalized areas can effectively eradicate delays in decision making since information will be disseminated down to the periphery using real time communication channels which improve the quality of service delivered.

### **3.2. Factors which Affects the Implementation of ERP in Funeral Services Companies**

Most respondents averred that there is a raft of factors which affects the implementation of ERPs in funeral services companies, and these can be internal or external factors.

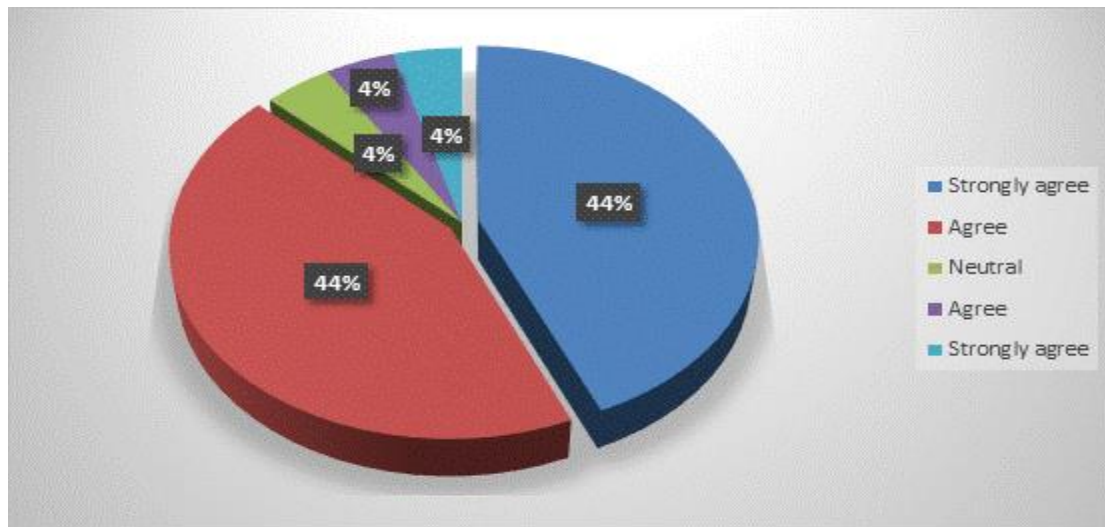


Source: Primary data source

Furthermore, 30% of the respondents averred that political interference is very profound in the public sector as those in politics use their political affiliations to manipulate business operations. Furthermore, 26% of the respondent averred that financial illiteracy affects the implementation of ERP models can be affected by financial illiteracy. Most employees in Funeral services companies are not employed basing on their academic or professional qualifications but they are recruited as corporate social responsibility. Since funeral services companies seek to improve the standards of livings for community members, they tend employ unqualified community members. Furthermore, Sunder (2021) averred that most employees in funeral services companies are employed basing on their political affiliations, so they won't have the exclusive knowledge on ERP issues and how to improve corporate performance.

Furthermore, 22% of the respondents averred that the implementation of ERP can be affected by the organizational structure. In organizations which are centralized and decisions are made at head office level, the decision making process is usually slow which affects the implementation of ERP. All the interviewees asserted that a, centralized organizations is rigid and bureaucratic which demotivates employees and dismiss the zeal to implement a good ERP. 22% of the respondents concurred with most interviewees who averred that, bureaucratic organizations incur marginal costs associated with training floor workers on how to implement decisions enacted by executives and management. Research studies conducted by Cain (2021) revealed that the implementation of ERP can be significantly affected by technological changes since companies will be striving to keep pace with changes in technology which in turn cause an increase in operational costs. Furthermore, 22% of the respondents averred that technology requires skilled personnel who can update and upgrade the system which increase marginal costs. Violations of legal regulations can result in penalties and fines which reduce financial and operational performance of funeral services companies.

### 3.3. Measures which can be used to Curb Factors which Inhibits the Implementation of ERP in Funeral Services Companies



Source: Primary data sources

Most respondents with 44% response rate strongly agreed that there are measures which can be used to curb factors which inhibits the implementation of ERP in funeral services companies. On financial illiteracy challenge, companies should send their employees to trainings, workshops and seminars to improve financial illiteracy. Furthermore, 44% of the respondents averred that without the financial know how companies cannot effectively budget and make future investments. Employees should be capacitated on financial related issues to improve their operational efficiency. The implementation of ERP can be affected by the organizational structure. To rectify the challenge 44% of the participants alluded that funeral companies should decentralize decision making powers to circumvent drawbacks posed by organizational structure. Furthermore, corporate entities should deduce effective communication channels to enhance efficiency and minimize communication loopholes.

On factors which affect political interference, all the interviewees averred that politicians should be educated through political gatherings on how political interference affects the implementation of ERP. Furthermore, 44% of the respondents averred that economic turbulences and oscillations can also limit companies from accessing the prerequisite financial resources required to implement ERP and improve efficiency. Those charged with governance of funeral services companies should deduce effective ways needed to counter economic constraints and maximize the creation of a safe ground required to enhance effective implementation of ERP. All the interviewees averred that the implementation of ERP can be significantly affected by technological changes therefore companies should send its employees on technology awareness trainings to equip them with the prerequisite technical skills and intellectual abilities. Furthermore, 44% of the respondents averred that Legal regulations also affects the implementation process therefore companies should hire or engage certified and skilled professionals with the necessary knowledge on how to read and interpret terms and conditions.

### **3.4. Major Findings and Discussion**

#### **3.4.1. The Impact of Adopting ERP on the Financial Performance**

Findings revealed that adopting ERP affects the financial performance of WADE Funeral Company. The modal number of respondents unveiled that enterprise resource planning help to corroborate resources and effectively optimize data management thereby improving the performance of corporate entities. The effectiveness of ERP can be compromised by political interference since politicians can override corporate plans to perpetuate their political agendas. Most public entities do not have the requisite technological infrastructure so embracing ERP can expose these firms to marginal costs. Both interviewees and participants agreed that streamlining administration and automating resource management through ERP help to enhance efficiency and effectiveness. Embracing ERP help funeral services companies to trace costs to cost centres and apply real-time strategies required to circumventing financial quagmires and conundrums. Nyaradzo funeral companies have a cluttered management systems which does not integrate financial activities, planning, engineering, human resources management, procurement and customer relationship management.

Due to poor optimization of funds accentuated by high illiteracy levels, most funeral services companies in Zimbabwe are experiencing descending financial trajectories. Nyaradzo Funeral Company is struggling to embrace and harness proceeds of ERP software due to political interference, economic oscillations, legal regulations, technological dynamism, illiteracy levels and poor management and leadership styles. Due to poor enterprise resource planning the company has been experiencing increasing operational challenges since the number of uncompleted infrastructure projects such as the construction of clinics, schools, roads and water related projects was increasing from 2020 to 2022. Lack of an integrated system which can streamline processes and enhance effective corroboration of departments is a major impediment to monitor performance. Financial challenges are principally amplified by lack of an integrated ERP system which can optimize financial resources and improve operational efficiency. The regression model revealed in a summary a coefficient of determination ( $r^2$ ) of 0.919 which is close to one. This means that one variable (dependent) can strongly affect the other variable (independence). Furthermore, the r-squared of 0.856 revealed that the variability of financial performance and its determinants can be strongly determined by changes in ERP. The adjusted R-squared of 0.856 shows the effective or suitability of the regression model used in the study. The statistical model also supports the fact that enterprise resource planning positively affects the financial performance of WADE Funeral Company. The 2.452 statistical result revealed a strong correlation between the research variables.

#### **3.4.2. Effects of ERP on the quality of Service Delivered by Funeral Services Companies**

Research findings revealed that, respondents strongly agreed that ERP plays a significant role in improving the quality of services delivered by funeral services companies since they allow corporate entities to effectively corroborate resources to enhance efficiency and effectiveness. Furthermore, all the interviewees averred that, ERP is an integrated financial, human resources (HR), manufacturing, supply chain management (SCM) and customer relationship management (CRM) system which help to ensure capacity utilization, employee motivation, productivity and resource mobilization. Furthermore, respondents averred that with ERPs corporate entities can automatically corroborate resources and easily monitor points of entry and exit in the organization to promote cooperation and coordination. ERP do not directly contribute to the quality of services since the application require marginal costs of training, monitoring and implementation. Furthermore, effective ERP corporate

entities especially funeral services companies with offices in marginalized areas can effectively eradicate delays in decision making since information will be disseminated down to the periphery using real time communication channels which improve the quality of service delivered.

ERP is a seamless and technologically inclined way of managing processes maximizing efficiency all the way. Enterprise resource planning (ERP) positively improve the quality of service delivered by councils since it helps to corroborate resources and effectively optimize data management. Embracing ERP help funeral services companies to trace costs to cost centres and apply real-time strategies required in circumventing financial challenges which help to channel resources to more profitable investment ventures. A modal group of respondents averred that WADE Funeral Companies should deduce ways of ensuring that employees and machines are utilized to full capacity to avoid underutilization of resources to improve the quality of service delivered. Furthermore, most respondents asserted that, employee motivation helps companies to deduce ways of raising the morale of employees and their propensity to work hard to enhance quality.

### **3.4.3. Factors which affects the Implementation of ERP in Funeral Services Companies**

Most respondents averred that there is a raft of factors which affects the implementation of ERPs in funeral services companies, and these can be internal or external factors. Furthermore, respondents averred that political interference is very profound in the public sector as those in politics use their political affiliations to manipulate business operations. All the interviewees averred that politician could affect the implementation of a good ERP since they will be sceptical that the implementation process can compromise their political aspirations and endeavours. Most employees in WADE Funeral services companies are not employed basing on their academic or professional qualifications but they are recruited as corporate social responsibility. In organizations which are centralized and decisions are made at head office level, the decision making process is usually slow which affects the implementation of ERP. A centralized organizations is rigid and bureaucratic which demotivates employees and dismiss the zeal to implement a good ERP. Bureaucratic organizations incur marginal costs associated with training floor workers on how to implement decisions enacted by executives and management. The implementation of ERP can be significantly affected by technological changes since companies will be striving to keep pace with changes in technology which in turn cause an increase in operational costs. Violations of legal regulations can result in penalties and fines which reduce financial and operational performance of funeral services companies.

### **3.4.4. Measures which can be used to curb Factors which Inhibits the Implementation of ERP in Funeral Services Companies**

Most respondents strongly agreed that there are measures which can be used to curb factors which inhibits the implementation of ERP in funeral services companies. On financial illiteracy challenge, companies should send their employees to trainings, workshops and seminars to improve financial illiteracy. Furthermore, respondents averred that without the financial know how companies cannot effectively budget and make future investments. Employees should be capacitated on financial related issues to improve their operational efficiency. The implementation of ERP can be affected by the organizational structure. To rectify the challenge participants alluded that funeral companies should decentralize decision making powers to circumvent drawbacks posed by organizational structure. Furthermore, corporate entities should deduce effective communication channels to enhance efficiency and minimize communication loopholes. On factors which affect political interference, all the



interviewees averred that politicians should be educated through political gatherings on how political interference affects the implementation of ERP.

Furthermore, respondents averred that economic turbulences and oscillations can also limit companies from accessing the prerequisite financial resources required to implement ERP and improve efficiency. Those charged with governance of funeral services companies should deduce effective ways needed to counter economic constraints and maximize the creation of a safe ground required to enhance effective implementation of ERP. All the interviewees averred that the implementation of ERP can be significantly affected by technological changes therefore companies should send its employees on technology awareness trainings to equip them with the prerequisite technical skills and intellectual abilities. Furthermore, respondents averred that Legal regulations also affects the implementation process therefore companies should hire or engage certified and skilled professionals with the necessary knowledge on how to read and interpret terms and conditions.

#### **4. Conclusion**

The adopting ERP affects the financial performance of WADE Funeral Company. Enterprise resource planning help to corroborate resources and effectively optimize data management thereby improving the performance of corporate entities. WADE Funeral Company do not have the requisite technological infrastructure so embracing ERP can expose these firms to marginal costs. ERP help in streamlining administration and automating resource management through ERP help to enhance efficiency and effectiveness. Embracing ERP help funeral services companies to trace costs to cost centres and apply real-time strategies required to circumventing financial quagmires and conundrums. WADE funeral companies have a cluttered management systems which does not integrate financial activities, planning, engineering, human resources management, procurement and customer relationship management. WADE Funeral Company is struggling to embrace and harness proceeds of ERP software due to political interference, economic oscillations, legal regulations, technological dynamism, illiteracy levels and poor management and leadership styles. ERP is an integrated financial, human resources (HR), manufacturing, supply chain management (SCM) and customer relationship management (CRM) system which help to ensure capacity utilization, employee motivation, productivity and resource mobilization. There is a raft of factors which affect the implementation of ERPs in funeral services companies, and these can be internal or external factors. There are measures which can be used to curb factors which inhibits the implementation of ERP in funeral services companies.

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