

# Enterprise Resource Planning and Organizational Performance in the Digital Transformation Era: A Literature Review

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## ABSTRACT

Enterprise Resource Planning (ERP) has become an important organizational technology for integrating business processes, information, and resources in the digital transformation era. This study aims to examine how ERP implementation and utilization contribute to employee and organizational performance and to identify the technological, organizational, and human factors influencing ERP effectiveness. This study employed a literature review method by examining scholarly publications published between 2021 and 2025. Relevant literature was identified through academic databases and search engines using keywords related to ERP implementation, ERP adoption, cloud ERP, employee performance, organizational performance, and ERP success factors. The findings indicate that ERP implementation is generally associated with improved employee and organizational performance. However, these benefits depend on system quality, employee utilization, organizational capabilities, organizational culture, management support, technological readiness, and implementation conditions. Recent studies also indicate that cloud ERP adoption, continued system use, innovation, and strategic decision-making have become important dimensions of ERP research. The review concludes that ERP should be viewed as an organizational capability rather than merely a technological system, with its performance effects emerging through interactions among technology, people, organizational processes, and strategic management.

**Keywords:** *Cloud ERP, Digital Transformation, Employee Performance, Enterprise Resource Planning, Organizational Performance.*

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## ARTICLE HISTORY

Received : February 02, 2026

Final Revised : May 13, 2026

Accepted : June 3, 2026

Published : June 30, 2026

## 1. | INTRODUCTION

The rapid development of digital technologies has encouraged organizations to transform the way they manage resources, coordinate business functions, and support decision-making. Enterprise Resource Planning (ERP) has become an important information system for integrating organizational functions and improving the availability and utilization of information across business processes. Through integration, ERP can support operational efficiency, coordination, information quality, and organizational decision-making. Consequently, ERP implementation is increasingly viewed not merely as a technological investment but as an organizational transformation that can influence both employee and organizational performance (Andrieș & Ungureanu, 2022; Balić et al., 2022; Fauzi et al., 2022).

The relationship between ERP implementation and performance, however, is not necessarily automatic. Fauzi et al. (2022) demonstrated that ERP implementation can contribute positively to employee performance through work quantity, work quality, knowledge, collaboration, creativity, dependability, initiative, and personal quality. At the organizational level, Putra et al. (2021) found that organizational capabilities can mediate the relationship between ERP implementation and company performance. Similarly, Al-Kahtani et al. (2024) showed that ERP is interconnected with innovation, strategic planning, strategic decision-making, and organizational performance. These findings indicate that the effects of ERP may emerge through multiple organizational mechanisms rather than through technology adoption alone.

The success of ERP implementation is also influenced by organizational and technological conditions. Widjaja and Sardjono (2024) identified user training, top management support, and vendor support as important factors affecting ERP implementation success and organizational performance. Salih et al. (2021) further emphasized organizational factors and critical issues related to security, usability, and vendor support in cloud ERP adoption. Challenges associated with cloud ERP implementation, particularly among small and medium-sized enterprises, demonstrate that organizational readiness and implementation conditions remain important considerations (Haddara et al., 2022). Likewise, Christiansen et al. (2022) highlighted the relevance of technological, organizational, and environmental factors in cloud ERP adoption.

The changing ERP landscape has also expanded research attention toward cloud-based systems and continued system usage. Cheung et al. (2023) synthesized ERP adoption research using the Technology–Organization–Environment and Diffusion of Innovation perspectives, while Kuo et al. (2023) examined determinants of continued intention to use cloud ERP systems. Qutaishat et al. (2023) similarly investigated factors affecting cloud-based ERP adoption, demonstrating that ERP adoption involves a combination of technological and organizational considerations. These developments suggest that ERP research increasingly needs to consider not only initial

implementation but also adoption, continued utilization, organizational readiness, and system-related conditions.

Organizational culture and employee-related factors provide another important dimension of ERP effectiveness. Ashraf and Ali (2022) demonstrated the relevance of innovative organizational culture in explaining firm performance following ERP implementation. Han (2021) examined employee motivation and ERP system use in relation to organizational performance, while Igna (2021) investigated the influence of ERP implementation on organizational performance. These studies reinforce the argument that ERP outcomes are shaped by interactions among technology, people, organizational culture, and management practices rather than by system implementation alone.

Despite the growing body of research, the literature remains fragmented across ERP adoption, implementation success, employee outcomes, organizational capabilities, organizational culture, and firm performance. Moreover, recent studies have examined these dimensions using different theoretical perspectives and organizational contexts. A systematic synthesis is therefore necessary to consolidate the available evidence and identify recurring relationships, implementation factors, performance outcomes, and areas requiring further investigation. This need is particularly relevant because ERP systems continue to evolve alongside cloud computing, digital transformation, data integration, and increasingly complex organizational environments (Samad et al., 2023; Kishore et al., 2025).

Therefore, this systematic literature review aims to synthesize research published between 2021 and 2025 concerning ERP implementation and its relationship with employee and organizational performance. Specifically, the review addresses three questions: (1) How does ERP implementation influence employee and organizational performance? (2) What technological, organizational, and human factors influence successful ERP implementation and utilization? and (3) What research gaps and future research opportunities emerge from the recent ERP literature? By integrating these perspectives, this review seeks to provide a structured understanding of how ERP contributes to organizational performance in an increasingly digital business environment.

## **2. | LITERATURE REVIEW**

### **ERP Implementation, Adoption, and Critical Success Factors**

Enterprise Resource Planning (ERP) implementation represents an organizational transformation that integrates business processes, information, and resources across functional areas. Its effectiveness depends not only on the availability of technology but also on organizational readiness, user involvement, management support, training, and compatibility between the system and organizational processes. Widjaja and Sardjono (2024) identify user training, top management support, and vendor support as important factors influencing ERP implementation success. Similarly, Salih et al.

(2021) emphasize organizational factors and issues related to security, usability, and vendor support in cloud ERP adoption.

The transition toward cloud-based ERP further expands the factors influencing adoption. Christiansen et al. (2022) demonstrate that cloud ERP adoption is influenced by technological, organizational, and environmental considerations. Haddara et al. (2022) highlight that SMEs may face specific challenges in cloud ERP adoption, including organizational and implementation-related difficulties. Cheung et al. (2023) integrate the Technology–Organization–Environment and Diffusion of Innovation perspectives to explain cloud ERP adoption, indicating that ERP adoption is shaped by multiple interacting dimensions.

Qutaishat et al. (2023) likewise demonstrate that technological and organizational factors remain important in determining cloud ERP adoption. Post-implementation conditions are also important because ERP benefits may depend on continued system use and organizational adaptation. Kuo et al. (2023) emphasize determinants of continued intention to use cloud ERP systems, while Han (2021) links employee motivation and ERP utilization with organizational performance. Thus, ERP success should be understood as a continuing organizational process rather than a one-time technological implementation.

### **ERP, Employee Performance, and Organizational Performance**

The literature indicates that ERP can influence performance at both employee and organizational levels. Fauzi et al. (2022) demonstrate that ERP effectiveness is associated with employee performance dimensions including work quality, work quantity, knowledge, collaboration, creativity, dependability, initiative, and personal quality. This suggests that integrated information systems can influence how employees perform their responsibilities and coordinate work activities.

At the organizational level, Putra et al. (2021) found that organizational capabilities mediate the relationship between ERP implementation and company performance, indicating that technological implementation may generate performance benefits through improved organizational capabilities. Andrieș and Ungureanu (2022) similarly examine the relationship between ERP and company performance, while Balić et al. (2022) emphasize the importance of ERP quality, information quality, and service characteristics for organizational performance. Ashraf and Ali (2022) further demonstrate that innovative organizational culture is relevant to firm performance in the context of ERP implementation.

ERP outcomes can also be connected with strategic and knowledge-related mechanisms. Al-Kahtani et al. (2024) examine ERP alongside innovation, strategic planning, strategic decision-making, and organizational performance. Samad et al. (2023) similarly investigate ERP as a mechanism for enhancing organizational performance in industrial contexts. These findings indicate that ERP performance effects are not necessarily direct but may emerge through organizational capabilities, culture, information quality, innovation, and decision-making processes.

Recent evidence also emphasizes contextual differences in ERP performance outcomes. Kishore et al. (2025) examine ERP implementation in manufacturing organizations through user satisfaction and organizational performance, while Igna (2021) investigates the influence of ERP implementation on organizational performance. Consequently, the literature supports an integrated perspective in which ERP implementation, employee utilization, organizational capabilities, and contextual factors collectively shape performance outcomes.

### **3. | RESEARCH METHOD**

This study employed a literature review method to synthesize previous research concerning Enterprise Resource Planning (ERP) implementation, adoption, employee performance, and organizational performance. A literature review was selected because the study aims to identify, compare, and synthesize existing findings rather than collect primary empirical data. The review focused on research published between 2021 and 2025 to capture recent developments in ERP research within the context of digital transformation.

The literature search was conducted using academic databases and search engines, including Google Scholar, Scopus, ScienceDirect, and SpringerLink. The search employed combinations of keywords such as “Enterprise Resource Planning,” “ERP Implementation,” “ERP Adoption,” “Cloud ERP,” “ERP and Employee Performance,” “ERP and Organizational Performance,” and “ERP Success Factors.” Additional keyword combinations were used to identify studies addressing organizational capabilities, organizational culture, employee motivation, innovation, and strategic decision-making in relation to ERP.

The literature selection was based on predefined relevance criteria. Studies were included when they (1) were published between 2021 and 2025; (2) discussed ERP implementation, adoption, utilization, or its organizational consequences; (3) examined employee performance, organizational performance, organizational capabilities, adoption factors, or ERP success factors; and (4) were published in accessible scholarly journals, conference proceedings, or academic publications with identifiable publication information and DOI where available. Studies published before 2021, studies unrelated to ERP, duplicate publications, and publications that did not provide sufficient information regarding their research focus were excluded.

The selected literature was analyzed using a thematic synthesis approach. First, relevant information concerning the research objectives, context, ERP characteristics, variables, and major findings was identified. Second, the studies were compared according to recurring themes, including ERP implementation and adoption, technological and organizational factors, employee-related factors, organizational capabilities, and performance outcomes. Finally, the findings were synthesized to identify common patterns, differences among studies, and research gaps. This approach enables the study to develop an integrated understanding of how ERP implementation

and utilization contribute to employee and organizational performance while highlighting the organizational and contextual factors that influence ERP effectiveness.

#### **4. | RESULTS**

The literature reviewed indicates that Enterprise Resource Planning (ERP) contributes to employee and organizational outcomes through interconnected dimensions, including employee performance, organizational capabilities, system quality, organizational culture, adoption readiness, and strategic decision-making. Although ERP is generally associated with improved performance, its outcomes vary according to organizational context, implementation conditions, system quality, and user utilization.

A consistent finding concerns the relationship between ERP implementation and employee performance. Fauzi et al. (2022) found that ERP implementation positively influences work quantity, work quality, work knowledge, collaboration, creativity, dependability, initiative, and personal quality. This indicates that ERP can improve individual performance by facilitating information integration and supporting work processes. Han (2021) similarly linked employee motivation and ERP system use with organizational performance, suggesting that ERP benefits depend partly on employee engagement and utilization. Thus, employee acceptance and effective system use are important components of ERP effectiveness.

At the organizational level, ERP implementation is generally associated with improved company performance. Putra et al. (2021) found that organizational capabilities mediate the relationship between ERP implementation and company performance, indicating that ERP creates value through an organization's ability to utilize integrated information and resources. Andrieș and Ungureanu (2022) likewise examined the relationship between ERP and company performance, supporting the broader connection between ERP adoption and organizational outcomes.

ERP quality is another important dimension. Balić et al. (2022) demonstrated that ERP quality is related to organizational performance, particularly through technical characteristics, information, and service. Therefore, ERP implementation alone does not guarantee performance improvements; system functionality, information quality, and supporting services also influence the benefits obtained from ERP.

Organizational culture further shapes ERP outcomes. Ashraf and Ali (2022) highlighted the relevance of innovative organizational culture in the relationship between ERP and firm performance. Together with the findings of Putra et al. (2021), this suggests that organizational capabilities and culture can facilitate the conversion of technological investments into performance outcomes. ERP is therefore more likely to generate benefits when organizational structures and practices support adaptation, information utilization, and innovation.

The literature also emphasizes implementation and adoption factors. Salih et al. (2021), through a systematic review of 73 publications, identified 16 critical success factors related to cloud ERP adoption and highlighted organizational factors, security,

usability, and vendor issues. Widjaja and Sardjono (2024) similarly identified important implementation success factors and their relationship with organizational performance. These findings indicate that successful ERP implementation involves more than technological installation and requires adequate organizational preparation and supporting conditions.

Cloud ERP research further demonstrates the importance of technological, organizational, and environmental factors. Christiansen et al. (2022) identified these dimensions as relevant to cloud ERP adoption, while Haddara et al. (2022) highlighted specific challenges faced by SMEs. Cheung et al. (2023) further synthesized cloud ERP adoption through the Technology–Organization–Environment and Diffusion of Innovation perspectives, demonstrating that adoption decisions involve multiple interacting factors. Kuo et al. (2023) extended this perspective by examining continuance intention, while Qutaishat et al. (2023) investigated factors influencing cloud ERP adoption intention. Collectively, these studies indicate that ERP value involves adoption, acceptance, continued utilization, and organizational adaptation.

Recent research also connects ERP with strategic and innovation-related processes. Al-Kahtani et al. (2024) found relationships among ERP, strategic decision-making, strategic planning, innovation, and organizational performance. This suggests that ERP can support not only operational integration but also managerial and strategic processes. Samad et al. (2023) similarly examined ERP as a mechanism for enhancing organizational performance in Bangladeshi industries, while Kishore et al. (2025) linked ERP implementation with user satisfaction and organizational performance in manufacturing companies.

Overall, five interconnected patterns emerge from the literature: (1) ERP is generally associated with employee and organizational performance; (2) organizational capabilities and culture help translate ERP implementation into performance outcomes; (3) system, information, and service quality influence ERP effectiveness; (4) technological, organizational, human, security, usability, and vendor factors affect adoption and implementation success; and (5) recent ERP research increasingly incorporates cloud adoption, continued system use, innovation, and strategic decision-making. The synthesis therefore indicates that ERP should be viewed not simply as an information technology tool but as organizational infrastructure whose performance effects emerge through the interaction of technology, people, organizational capabilities, and strategic processes.

## **5. | DISCUSSION**

The findings of this literature review indicate that Enterprise Resource Planning (ERP) should be understood as an organizational capability rather than merely a technological system. Across the reviewed studies, ERP implementation is generally associated with improved employee and organizational performance, but its effectiveness depends on how technology is integrated with human resources, organizational capabilities, culture, and managerial processes. This interpretation

extends the findings of Fauzi et al. (2022), which demonstrated positive relationships between ERP implementation and multiple dimensions of employee performance.

At the employee level, ERP can improve access to information, work coordination, knowledge, and task execution. Han (2021) emphasizes the importance of employee motivation and ERP utilization, while Putra et al. (2021) demonstrate that organizational capabilities can mediate the relationship between ERP implementation and company performance. These findings suggest that ERP benefits are realized when employees and organizations possess the capability to transform integrated information into effective work practices. Therefore, employee utilization and organizational capability represent important mechanisms connecting ERP implementation with performance outcomes.

The findings also demonstrate that ERP quality is an important determinant of performance. Balić et al. (2022) show that information and service quality are particularly relevant to organizational performance, suggesting that implementation alone is insufficient to guarantee benefits. Similarly, Ashraf and Ali (2022) highlight the role of innovative organizational culture in the relationship between ERP and firm performance. This indicates that organizations require supportive cultural and organizational environments to convert ERP capabilities into measurable performance improvements.

Another important implication concerns ERP adoption and implementation conditions. Salih et al. (2021), Christiansen et al. (2022), Haddara et al. (2022), Cheung et al. (2023), and Qutaishat et al. (2023) collectively indicate that cloud ERP adoption involves technological, organizational, environmental, security, usability, and vendor-related considerations. Kuo et al. (2023) further indicates that continued system use is an important issue after initial adoption. Consequently, ERP effectiveness should be viewed as a continuous process of adoption, utilization, adaptation, and organizational learning.

The strategic dimension of ERP is increasingly evident in recent research. Al-Kahtani et al. (2024) demonstrate that ERP contributes to organizational performance and strategic decision-making, suggesting that ERP can support not only operational integration but also higher-level managerial processes. Samad et al. (2023), Igna (2021), Kishore et al. (2025), and Widjaja and Sardjono (2024) further reinforce the relevance of ERP to organizational performance and implementation success. The synthesis suggests an integrated relationship: ERP implementation → system utilization and quality → organizational capabilities and culture → employee and strategic processes → organizational performance. Future research should therefore examine these relationships as interconnected mechanisms rather than treating ERP implementation as an isolated technological intervention.

## 6. | CONCLUSION

This literature review concludes that Enterprise Resource Planning (ERP) plays an important role in supporting employee and organizational performance, particularly when ERP implementation is accompanied by effective organizational capabilities, supportive culture, appropriate system quality, and active user utilization. The reviewed literature indicates that ERP benefits extend beyond the integration of business processes and information systems, influencing employee work quality, collaboration, knowledge utilization, organizational capabilities, decision-making, innovation, and overall organizational performance. The findings also demonstrate that ERP effectiveness depends on several interconnected factors. Technological readiness, information and service quality, employee motivation, organizational culture, management support, security, usability, vendor support, and organizational readiness can influence successful ERP adoption and implementation. The growing use of cloud ERP further emphasizes the importance of continuous adaptation and continued system utilization rather than treating ERP implementation as a one-time technological project.

A key contribution of this review is the identification of an integrated relationship between ERP implementation, system utilization and quality, organizational capabilities, employee and strategic processes, and organizational performance. This perspective indicates that organizations should align ERP investments with human resources, organizational processes, and strategic objectives to maximize potential benefits. Future research should investigate these relationships using longitudinal and comparative approaches across industries and organizational sizes. Further studies could also examine emerging ERP environments involving cloud platforms, artificial intelligence, advanced analytics, and other digital technologies to determine how these developments reshape ERP capabilities and organizational performance.

### ***Acknowledgment***

We gratefully acknowledge the contributions of individuals who supported the completion of this article.

### ***Funding Information***

This research did not receive any funding.

### ***Conflict of Interest Statement***

The authors declare that there is no conflict of interest.

### ***Ethical Approval and Originality Statement***

Ethical approval was obtained for this study. The manuscript represents original work and has not been previously published, nor is it under consideration by another journal.

### ***Data Disclosure Statement***

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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