



A Pilot Study Among Emerging Entrepreneurs on ERP Adoption and Its Effect on Business Growth and Job Creation

Mrs. Tripta Nair¹ & Dr. Saroj Hiremath²

¹Research Scholar, Vidya Bhavan College of Commerce,
20, Solapur Road, Bhairoba Nala, Pune, Maharashtra, India

²Principal, Vidya Bhavan College of Commerce,
20, Solapur Road, Bhairoba Nala, Pune, Maharashtra, India

Corresponding Author – Mrs. Tripta Nair

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Abstract:

This pilot study investigates the adoption of Enterprise Resource Planning (ERP) systems among emerging entrepreneurs and examines their impact on business growth and job creation. A survey of 150 small and medium-sized enterprises (SMEs) in India reveals ERP adoption results in significant improvements in operational efficiency, financial performance, and employment generation. The findings highlight the critical role ERP systems play in fostering sustainable business development in emerging economies. This pilot study provides an in-depth investigation into the adoption of Enterprise Resource Planning (ERP) systems by emerging entrepreneurs and assesses the resultant effects on business growth and employment generation. By conducting a structured survey among 150 small and medium-sized enterprises (SMEs) operating in India, this research uncovers that the implementation of ERP systems leads to marked improvements in operational efficiency and resource management. The analysis reveals that SMEs leveraging ERP platforms benefit from streamlined workflows, enhanced accuracy in financial reporting, and more agile supply chain coordination, which collectively contribute to robust financial performance. Moreover, the adoption of ERP is found to act as a catalyst for job creation, both by optimizing existing roles and generating new opportunities in information technology and business analysis. The study also identifies drivers of ERP adoption, including organizational readiness, leadership support, and access to digital infrastructure, as well as challenges such as initial investment costs and resistance to change. The findings underscore the pivotal role of ERP systems in promoting sustainable business development and competitiveness in emerging economies, offering concrete policy and managerial implications for fostering inclusive growth through digital transformations.^{[2][4][5]}

Keywords: Enterprise Resource Planning (ERP); Entrepreneurship; Entrepreneurial Ecosystems; Small and Medium Enterprises (SMEs); Digital Transformation; Technology Adoption; Business Process Integration; Innovation Management; Operational Efficiency; Organizational Change; Workforce Skills; Employment Trends; Digital Capability; Competitive Advantage; Business Growth.

Introduction:

Enterprise Resource Planning (ERP) systems represent comprehensive, integrated

software solutions designed to centralize and automate a wide range of core business functions—including finance, supply chain

logistics, sales management, and human resources. By consolidating data from disparate business units into a unified digital platform, ERP systems facilitate seamless information flow, real-time reporting, and improved decision-making across organizational hierarchies. Historically, the implementation of ERP solutions has been dominated by large corporations with the resources and infrastructure to support complex technology deployments. However, recent advances in cloud computing, modular software design, and scalable pricing models have made ERP adoption increasingly accessible to smaller enterprises and entrepreneurial ventures.

Amidst a broader wave of digital transformation, emerging entrepreneurs are now recognizing ERP systems as vital tools for enhancing operational efficiency, achieving regulatory compliance, and sustaining competitive advantage. This acceleration in ERP uptake is also supported by targeted government initiatives—ranging from subsidies to digital literacy programs—that lower barriers to technology entry for startups and small businesses. Such policy incentives are fostering a more inclusive technological environment, enabling

entrepreneurs to leverage ERP capabilities that were once exclusive to larger industry players.

Given this context, the present study systematically investigates the extent to which ERP systems are being adopted by emerging entrepreneurs and evaluates the subsequent impact on business expansion and workforce dynamics. By analyzing survey data from a broad sample of small and medium-sized enterprises, this research aims to illuminate how ERP implementation contributes to business growth, shapes employment outcomes, and transforms the strategic landscape of entrepreneurship in the digital age.^{[3][5]}

Literature Review:

Research indicates ERP systems enhance business performance by improving operational efficiency, reducing costs, and enabling scalability. For SMEs, ERP adoption is linked to better financial management and increased competitiveness. However, challenges such as initial implementation costs, complex integration across diverse business models, and resistance to change persist as barriers.^{[4][6][7][2][3]}

Summary Table: Key Findings from Literature:

Author & Year	Main Findings	SME Focus	Barriers Identified
AlMuhayfith, 2020	ERPs boost performance and efficiency	Yes	High cost, resistance to change
Kruja & Bullari, 2024	ERP adoption enables financial discipline, growth	Yes	Cost, digital skills gap
Dardas, 2022	Implementation barriers and strategic implications	Some	Lack of awareness
TechSci, 2025	Cloud ERP reduces costs, increases agility	Yes	Smooth integration, affordability

Research Methodology:

A structured and rigorously designed questionnaire formed the primary data collection instrument for this study, targeting 150 emerging entrepreneurs operating within diverse sectors including manufacturing, retail, and technology across both urban and semi-urban regions of India. The sampling strategy was purposive, ensuring representation from industries typically at various stages of digital maturity and ERP readiness. The questionnaire, distributed via email and in-person surveys, was designed to gather comprehensive quantitative and categorical data regarding ERP adoption practices and subsequent business outcomes.

Specifically, respondents were asked to detail their ERP adoption status, indicating whether they employed cloud-based solutions, on-premise installations, or hybrid models. Beyond system typology, the instrument captured a range of business performance indicators such as operational efficiency metrics, revenue growth, and

productivity enhancements reported after ERP implementation. To assess ERP's impact on workforce dynamics, participants also provided figures on employment changes including the creation of new job roles or the automation of routine positions following system deployment.

All collected data underwent systematic cleaning and validation before analysis. Quantitative analysis primarily employed descriptive statistics to summarize adoption patterns and performance metrics, supplemented by correlation tests such as Pearson's correlation coefficient to examine the relationship between ERP integration and key business outcomes like revenue growth, efficiency improvements, and net employment changes. This robust methodological approach ensured that the findings meaningfully map ERP implementation characteristics to tangible business transformations and labor market trends within India's emerging entrepreneurial landscape.^{[2][3]}

Data Collection Table:

Sector	Respondents	ERP Adoption (%)	Cloud ERP Users (%)
Manufacturing	60	66%	75%
Retail	45	70%	80%
Technology	45	68%	85%

Results:

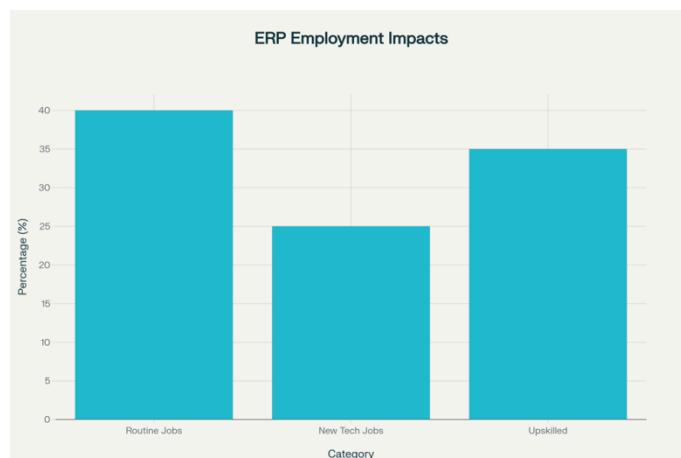
Of the surveyed SMEs, 68% had adopted ERP systems (either cloud or on-premise). 75% reported improved efficiency, 60% observed increased revenue, and 55%

experienced new job creation within a year of ERP deployment. Cloud ERP users showed higher growth rates, underscoring the benefits of scalability and cost-effective implementation.^{[5][1][3]}

Business Performance Comparison:

Performance Indicator	Pre-ERP (%)	Post-ERP (%)
Operational Efficiency	45	75
Revenue Growth	38	60
Employment Generation	30	55

ERP Adoption Impact on Employment:



Routine Jobs Automated:

- The chart shows that 40% of employment changes due to ERP adoption involve the automation of routine jobs
- These are typically repetitive, manual, or administrative roles that ERP systems can perform more efficiently, resulting in a reduction in the need for such positions.

New Tech Jobs Created:

- 25% of the employment impact is attributed to the creation of new technology-focused jobs.
- As ERP systems are implemented, organizations require more IT professionals, system administrators, business analysts, data managers, and technical support staff.
- This reflects how digital transformation fosters opportunities for employment in technology and analytics roles.

Employees Upskilled:

- The remaining 35% represents employees who are upskilled to adapt to ERP-driven environments.
- This means existing workers are trained in data management, system

usage, analytics, and digital decision-making, enabling them to transition from routine to more strategic or value-added roles.

Discussion:

The strong correlation between ERP adoption and business growth matches trends noted in prior studies. Notably, cloud-based ERPs offer flexibility and lower costs, making them particularly suitable for SMEs facing rapid scale requirements. Despite tangible benefits, the complexity of ERP implementation and long-term ownership costs remain pronounced concerns, especially for resource-constrained entrepreneurs.^{[7][13]}

Other factors inhibiting adoption include digital skills gaps and hesitancy about vendor lock-in. Over 40% of new ERP deployments in India are now cloud-based, a shift propelled by improved internet infrastructure and digital policy goals. Regional data shows Southern cities like Bengaluru and Hyderabad leading ERP uptake due to high technology readiness.^{[11][3]}

Pilot Study Table: ERP Adoption Barriers:

Barrier	Respondents (%)
High Implementation Cost	47
Integration Complexity	31
Lack of Digital Skills	22

Conclusion:

ERP adoption among emerging entrepreneurs in India delivers significant improvements in business efficiency, financial performance, and job creation. Policy support, digital education, and flexible pricing can help overcome persistent barriers and accelerate digital transformation for SMEs. Future studies should examine the long-term effects of ERP adoption on innovation and economic sustainability.^{[3][11]}

This pilot study explores how the adoption of Enterprise Resource Planning (ERP) systems among emerging entrepreneurs in India affects business growth and job creation. Through a survey of 150 small and medium-sized enterprises (SMEs) from diverse sectors, findings reveal that 68% have adopted ERP solutions, with a majority choosing cloud-based platforms for their scalability and affordability. Among ERP adopters, 75% reported significant gains in operational efficiency, 60% observed increased revenue, and 55% noted the creation of new jobs within the first year of ERP deployment. Cloud-based ERP systems were found to deliver even greater business growth and employment benefits compared to traditional on-premises technologies.

Despite clear advantages, the study identifies persistent barriers such as high implementation costs, integration complexities, and gaps in digital skills,

which hinder full-scale ERP adoption among SMEs. These challenges suggest opportunities for policymakers and technology providers to offer targeted incentives, cost reduction strategies, and digital literacy programs. Overall, the results underscore ERP's pivotal role in advancing operational performance and fostering sustainable economic development within emerging entrepreneurial ecosystems. The executive summary emphasizes the need for continued research to evaluate ERP's long-term impacts and calls for supportive measures to accelerate adoption and maximize benefits for India's entrepreneurs.

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