

A Case Study on Improving Business Performance through Innovative Project Management Practices

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ABSTRACT

Background. The automotive industry is characterized by rapid growth, high competition, and the need for efficient project management. As companies expand and take on more complex projects, organizational restructuring and improved resource management become essential to maintain operational efficiency and competitiveness. In this context, effective management of projects and project resources plays a crucial role in improving business performance.

Purpose. This study aims to analyze the effectiveness of project management and resource management in supporting company performance. It also seeks to examine how organizational restructuring, particularly the establishment of a dedicated project office, contributes to improving efficiency and competitiveness in the automotive sector.

Method. The research was conducted using a case study approach in a Batam company operating in the automotive industry. The company employs approximately 200–270 employees, including around 110 employees in management roles. Data were collected by examining company performance, organizational changes, and project management practices following the acquisition of a major project in 2018.

Results. The findings show that the acquisition of a major automotive project—representing approximately one-third of the company's annual turnover of IDR 25,000,000—triggered organizational restructuring. The company established a separate and independent project office dedicated to automotive projects. This restructuring improved the efficiency of project teams, optimized the management of project resources, and reduced operational costs.

Conclusion. The study concludes that effective project management supported by organizational restructuring can significantly enhance company performance. The creation of a specialized project office enables better coordination of resources, improves efficiency, and reduces costs, thereby strengthening the company's competitiveness in the global automotive market.

KEYWORDS

Business Management, Cost Management, Human Resources Management, Project Development, Project Management

INTRODUCTION

In today's highly competitive business environment, effective project management plays a crucial role in improving organizational performance and ensuring long-term sustainability. Companies increasingly rely on structured project management practices to manage complex projects, allocate resources efficiently, and achieve strategic objectives. Project management involves a comprehensive process that includes planning, organizing,

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managing, and controlling project activities to ensure that project goals are achieved within predetermined time, cost, and quality constraints (Heerkens, 2002; Chelladurai & Kim, 2022). Effective project management not only improves operational efficiency but also contributes to organizational competitiveness in dynamic markets.

Projects are generally defined as unique and goal-oriented processes consisting of logically interconnected activities aimed at producing a specific product or service within limited time and financial resources (Dajsuren & van den Brand, 2019). Each project operates as a micro-business model that includes defined objectives, allocated financial resources, human capital, and expected outcomes. Therefore, the successful integration of project activities within an organization's overall business model is essential for achieving sustainable performance (Stare, 2011). As organizations increasingly adopt project-based operations, the ability to effectively manage project resources—such as financial resources, human capital, and time—becomes a key determinant of organizational success.

The management of organizational resources has long been recognized as a fundamental responsibility of company leadership. Efficient resource allocation and monitoring are critical factors in maintaining company performance and ensuring the successful execution of projects (Stone, Cox, & Gavin, 2020). In recent years, organizations have faced increased uncertainty and fluctuations in project funding due to the dynamic nature of national and international projects. This situation requires companies to strengthen their project management capabilities to remain competitive and sustainable in the long term (Boss & Krauss, 2022).

Monitoring and evaluating business performance is also essential for ensuring organizational viability. Business performance is commonly defined as the ability of a company to achieve financial success and maintain profitability over time. Effective performance evaluation allows organizations to identify discrepancies between planned and achieved results and to implement corrective measures to improve operational outcomes (Pučko, 2004; Ansoff et al., 2018). Additionally, long-term economic success is often reflected in the growth of equity value and the organization's ability to sustain profitability over extended periods (Pučko, 2004; Englund & Graham, 2019).

In modern organizations, strategic planning and project management are closely interconnected processes. Strategic planning helps organizations establish long-term goals and determine the actions required to achieve them, while project management focuses on implementing specific activities that support these strategic objectives (Kerzner, 2022; Hopkin, 2018). Effective alignment between strategic planning and project management enables companies to execute their strategies efficiently and adapt to changing business environments (Luthans & Doh, 2018; Hitt, Ireland, & Hoskisson, 2019).

The importance of project management becomes even more evident in industries characterized by rapid technological development and complex operational requirements, such as the automotive industry. Companies operating in this sector must continuously adapt their organizational structures and management practices to meet strict quality standards, evolving customer requirements, and competitive market pressures. Organizational changes, including restructuring and the establishment of specialized project offices, are often necessary to support effective project implementation and resource management.

Against this background, this study examines how innovative project management practices can enhance business performance through improved management of project resources. The research focuses on a case study of a company operating in the automotive industry that experienced significant growth after acquiring a major project that represented a substantial portion of its annual revenue. This growth required organizational restructuring and the establishment of a dedicated project office to manage the increasing number of projects and ensure efficient resource utilization.

The main objective of this study is to analyze how systematic monitoring and management of project resources can improve project efficiency, reduce operational costs, and enhance overall

organizational performance. By examining the implementation of a new project resource monitoring model within the selected company, this research provides practical insights into how effective project management practices can strengthen competitiveness and support long-term business sustainability.

LITERATURE REVIEW

Project Management and Organizational Performance

Project management has become a fundamental component of modern organizational practices, particularly in industries that require complex coordination of resources and activities. Project management refers to a structured process that includes planning, organizing, managing, and controlling project tasks to ensure that project objectives are achieved within defined constraints of time, cost, and quality (Heerkens, 2002; Chelladurai & Kim, 2022). Effective project management ensures that organizations can meet customer requirements while optimizing the use of available resources.

Projects are generally defined as unique, temporary endeavors that involve a set of logically connected activities designed to produce a specific outcome or deliverable. These activities are usually constrained by defined budgets, schedules, and performance standards (Dajsuren & van den Brand, 2019). In this context, each project can be considered a micro-business model that includes its own objectives, financial resources, human capital, and outputs. Consequently, projects must be integrated into the broader organizational strategy to contribute to overall business performance (Stare, 2011).

The importance of project management has increased significantly in recent decades as organizations operate in increasingly dynamic and competitive environments. Companies must continuously adapt their project management processes to respond to technological changes, market demands, and customer expectations. Effective project management not only supports operational efficiency but also enables organizations to achieve strategic goals and sustain long-term competitiveness.

Resource Management in Project-Based Organizations

Efficient resource management is one of the most critical aspects of successful project implementation. Organizations must allocate and monitor financial resources, human capital, and time effectively to ensure that projects are completed successfully. According to Stone, Cox, and Gavin (2020), managing and controlling organizational resources is a central task of corporate management. Proper resource management ensures that projects operate efficiently and contribute to the overall success of the organization.

In project-based organizations, resource allocation becomes increasingly complex as companies manage multiple projects simultaneously. As project portfolios expand, organizations must develop systems that allow them to track resource utilization and identify potential inefficiencies. Monitoring project resources systematically allows organizations to optimize performance and ensure that resources are used effectively across different projects.

Furthermore, modern organizations face increasing uncertainty in project funding and resource availability. Companies often depend on funding from various national and international projects, which can fluctuate over time. This situation requires companies to develop flexible and adaptive project management systems capable of managing complex resource allocation processes (Boss & Krauss, 2022).

Business Performance and Organizational Viability

Evaluating organizational performance is essential for ensuring long-term sustainability and competitiveness. Business performance is typically measured by the organization's ability to achieve profitability and growth over time. Monitoring performance allows managers to assess whether

organizational objectives are being achieved and to identify deviations between planned and actual outcomes (Pučko, 2004).

Financial indicators are commonly used to evaluate organizational performance. Profitability measures and financial reports provide valuable information about a company's operational success over a specific period. Profit or loss is generally calculated as the difference between revenue and expenses associated with business operations (Due Diligence Accounting Rules, 2018). These financial indicators allow managers to assess the effectiveness of business strategies and make informed decisions regarding future investments and operational improvements.

However, evaluating performance solely based on short-term financial results may not provide a complete picture of organizational success. Long-term economic success is often reflected in the growth of company value and equity over time (Pučko, 2004; Englund & Graham, 2019). Therefore, organizations must consider both short-term financial performance and long-term strategic outcomes when evaluating their viability.

Performance monitoring also involves comparing organizational results with various benchmarks, such as previous performance periods, industry averages, or planned performance targets. These comparisons enable managers to identify performance gaps and implement corrective measures to improve organizational outcomes (Pučko, 2004; Ansoff et al., 2018).

Strategic Project Management

Strategic project management plays a critical role in aligning project activities with organizational objectives. Strategic planning enables organizations to define long-term goals and identify opportunities and risks within the business environment. This process involves analyzing the current organizational situation and planning actions required to achieve future objectives (Kerzner, 2022).

Project management serves as a practical mechanism for implementing strategic plans. Projects represent specific activities that organizations undertake to achieve strategic objectives. As such, project management must be closely integrated with strategic planning to ensure that project outcomes contribute directly to organizational goals (Hopkin, 2018; Wideman, 2022).

The relationship between strategy and project management is therefore interdependent. Strategic plans define the direction and objectives of the organization, while projects represent the operational activities used to implement these strategies (Luthans & Doh, 2018). Effective coordination between strategic planning and project execution is essential for achieving long-term organizational success.

In addition, organizations often implement projects as catalysts for strategic change. Projects allow companies to introduce innovations, improve operational processes, and adapt to changing market conditions. Strategic project management ensures that these initiatives are implemented efficiently and aligned with the company's overall strategy (Mahapatro, 2022; Hitt, Ireland, & Hoskisson, 2019).

Organizational Change and Project Implementation

Implementing strategic projects often requires significant organizational change. Organizations must adapt their structures, processes, and resource management practices to accommodate new projects and technologies. Change management becomes particularly important in project-based organizations where projects involve multiple stakeholders and complex operational processes.

Brown, Bessant, and Jia (2018) emphasize that organizational change involves both technical and human dimensions. While structural changes may improve operational efficiency, successful implementation also depends on employees' ability to adapt to new processes and working methods. Similarly, Thomas and Mengel (2008) highlight the importance of preparing project managers to deal with complex organizational environments where change and uncertainty are common.

Human factors such as employee motivation, communication, and leadership play a critical role in successful project implementation. Effective project management therefore requires not only technical expertise but also strong interpersonal and organizational skills.

RESEARCH METHODOLOGY

We conducted the research using a qualitative methodology, namely a case study of the organization that was chosen as the subject of the investigation. When the company under consideration entered the world of the automobile sector, it was required to make adjustments to the way projects are handled, customize their operations to meet the requirements of the buyer, and operate in accordance with the standard established by the International automobile Task Force (IATF). The collection, processing, analysis, monitoring, and continual monitoring of the utilization of project resources have all been brought about as a consequence of this scenario.

Within the framework of the case study, we utilized a variety of models, including the following: 1) The examination and interpretation of the data model (both the old and the new configuration); 2) Conversations with members of the company's management; 3) A questionnaire for the survey meant for project managers; and 4) Distribute questionnaires for the staff survey.

Processing of qualitative data has been accomplished through the utilization of open coding and substantive text analysis. The use of descriptive statistics brings about the presentation of quantitative data. The survey questionnaire was created in the 1KA application, and the sample consisted of thirty individuals working in the automotive industry as well as four project managers. In the questionnaire that we created, we included both a basic scale and a Likert scale with five levels of severity. In the beginning of the survey, there was a section that contained demographic information. Tables and charts were used to present the results of the processing and interpretation of the data that was obtained using Microsoft Excel. Statistical methods such as descriptive statistics (frequency distribution, arithmetic mean, and standard deviation) and reference statistics were utilized in the analysis of the data.

RESULT AND DISCUSSION

Implementation of Project Resource Management in the Organization

The study examined the effectiveness of project resource management in a selected company operating in the automotive industry. The findings indicate that systematic monitoring and management of project resources significantly improved the company's operational efficiency and business performance. The company experienced rapid growth after acquiring a major automotive project in 2018 that accounted for approximately one-third of its annual turnover of EUR 30 million. This milestone triggered organizational restructuring and the establishment of a dedicated project office to manage the increasing number of projects and resource demands.

The results demonstrate that structured monitoring of project resources—specifically financial resources, time allocation, and human resources—enabled the organization to improve project transparency and enhance decision-making processes. Effective resource monitoring provides management with accurate data that can be used to optimize project planning and resource allocation. As previous research suggests, managing financial and human resources effectively is a central responsibility of organizational management and plays a key role in ensuring company performance and sustainability (Stone, Cox, & Gavin, 2020).

Furthermore, the integration of systematic data monitoring and reporting mechanisms enabled management to identify inefficiencies and potential weaknesses in project execution. This finding supports the argument that systematic performance monitoring is essential for evaluating business outcomes and identifying deviations between planned and achieved objectives (Pučko, 2004; Ansoff et al., 2018).

Optimization of Resources Across Project Phases

The study also explored how project resources can be optimized across different phases of project implementation. Survey results from employees and project managers indicate that resource optimization is achieved through careful planning, coordination, monitoring, and evaluation of project activities.

During the planning phase, identifying resource requirements and allocating them effectively across different project stages proved essential for successful project implementation. In the organizational phase, the alignment of team competencies and available resources improved collaboration and productivity within project teams. Effective supervision and monitoring ensured that resources were utilized efficiently and that project progress remained aligned with organizational objectives.

These findings align with existing literature emphasizing that project management involves continuous planning, organizing, controlling, and monitoring project activities to ensure successful outcomes (Heerkens, 2002; Chelladurai & Kim, 2022). Additionally, each project operates as a micro-business model with specific objectives, resources, and outputs that must be integrated into the company's overall strategic framework (Stare, 2011).

Communication within project teams was identified as a critical factor in improving resource utilization. Survey responses indicated that the majority of employees considered communication within project teams to be one of the most important factors influencing project efficiency. Effective communication facilitates problem-solving and supports collaboration between project managers and team members, which ultimately contributes to improved project outcomes.

Impact of the New Resource Management Model on Project Managers

The introduction of a new data model for monitoring project resources had a significant impact on the work of project managers. The new system enabled project managers to track financial resources, human resource allocation, and time utilization more effectively. This enhanced transparency allowed project managers to make more informed decisions and improve project coordination.

The findings indicate that experienced project managers played a crucial role in implementing the new management model. Most project managers in the company had more than ten years of experience and were able to integrate the new system into their project management practices. The combination of experienced personnel and younger employees created a balanced workforce capable of adapting to new management approaches.

The research also revealed that the new resource management model improved the ability of project managers to supervise projects and allocate resources efficiently. By providing real-time data on project progress and resource utilization, the system enabled project managers to respond more quickly to potential problems and adjust project plans accordingly.

These findings support previous studies emphasizing that project management must be aligned with organizational strategy and supported by effective monitoring systems to ensure the successful implementation of projects (Kerzner, 2022; Hopkin, 2018). Effective integration of project management practices into organizational strategy allows companies to achieve long-term strategic objectives (Luthans & Doh, 2018; Hitt, Ireland, & Hoskisson, 2019).

Reporting Systems and Decision-Making Support

Another key finding of the research relates to the design of reporting systems for company management. The implementation of the new data model improved transparency in project resource monitoring and enabled the integration of key performance indicators (KPIs) into management reporting processes.

The improved reporting system allowed management to track financial performance, project progress, and resource utilization more effectively. This information provided a basis for strategic decision-making and helped management evaluate the efficiency of project execution.

The use of KPIs also contributed to improved employee motivation by linking performance

outcomes with organizational objectives. When employees understand how their work contributes to company performance, they are more likely to feel engaged and motivated to achieve project goals.

These results are consistent with literature emphasizing the importance of performance measurement systems in monitoring organizational effectiveness. Financial indicators and performance monitoring tools allow organizations to evaluate profitability and identify opportunities for improvement (Due Diligence Accounting Rules, 2018; Pučko, 2004).

Influence of the Data Model on Employee Satisfaction

The implementation of the new project resource monitoring system also had a positive impact on employee satisfaction. Survey results indicate that a significant proportion of employees reported higher satisfaction levels after the introduction of the new project management approach. Employees expressed greater confidence in project management processes and appreciated the improved transparency in project operations.

The new system enabled employees to better understand project objectives and their individual roles within project teams. This clarity contributed to improved communication and stronger collaboration between team members. Additionally, the structured monitoring of project activities helped employees feel more confident that their work was organized efficiently and aligned with company objectives.

These findings highlight the importance of human factors in project management. Employee satisfaction is closely linked to effective project organization, clear communication, and supportive leadership. When employees feel that projects are well-managed and that their contributions are valued, they are more likely to demonstrate higher levels of engagement and productivity.

Furthermore, the results emphasize that employee satisfaction plays a crucial role in organizational performance. Employees represent a key resource for project implementation, and their motivation and commitment directly influence project outcomes. Organizations must therefore ensure that project management systems support both operational efficiency and employee well-being.

Implications for Organizational Competitiveness

The research findings indicate that effective management of project resources—particularly cost, time, and human resources—significantly improves company performance and competitiveness. The systematic use of historical data, resource monitoring models, and performance indicators enables organizations to plan future projects more effectively and optimize resource allocation.

By improving project transparency and resource planning, the company was able to reduce operational costs and increase project efficiency. These improvements strengthened the company's ability to compete in the global automotive market and positioned it for future growth.

The study also demonstrates that integrating project management practices with organizational strategy is essential for achieving long-term business success. Effective project management enables organizations to implement strategic initiatives, adapt to changing market conditions, and sustain competitive advantage.

CONCLUSION

This study explored how creative project management and comprehensive resource monitoring affect business success in an automobile company. Effective management of project resources—financial, temporal, and human capital—improves organizational efficiency, reduces operating costs, and boosts worldwide competitiveness.

The organization improved project management transparency and resource allocation across numerous projects by implementing a systematic project resource monitoring strategy. Systematic monitoring and data analysis helped management understand project performance and resource

use, improving decision-making and future project planning. These innovations helped the company adjust to rising project needs and grow sustainably in a competitive sector.

According to the survey, project management should match the company's strategic goals. Effective project management helps firms accomplish strategic initiatives and adapt to changing market conditions. The organization improved project processes and team communication by creating a specialized project office and adopting a new resource management strategy.

Employee happiness is crucial to project management, along with operational gains. Transparency, project organization, and leadership were found to motivate and engage employees. When employees believe projects are well-organized and supported by suitable administrative and managerial frameworks, their happiness and productivity rise, improving organizational performance.

This study shows that systematic project resource management improves corporate performance and establishes organizational sustainability. Companies can improve project efficiency and worldwide competitiveness by optimizing financial, time, and human capital. The study also shows how effective project management methods can increase operational performance and employee happiness in real organizations.

Finally, project management practitioners and researchers can learn from the findings. Organizations should establish organized resource monitoring systems and integrate project management with strategic planning, according to the report. Further research might examine similar project management models in different industries and organizational situations to better understand their effects on business performance and organizational effectiveness...

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