

THE INFLUENCE OF SUCCESS FACTORS OF PROJECT MANAGEMENT ON FINANCIAL PERFORMANCE: AN APPLIED STUDY ON INDUSTRIAL COMPANIES OPERATING IN AL-HUSSEIN BIN ABDULLAH II INDUSTRIAL ESTATE (HUIE)

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Abstract

The Influence of Success Factors for Project Management on financial Performance. The goal of this study is to determine the impact of project management success factors on organizational performance. The study's problem is to determine the impact of project management success factors, project managers, and service recipients on the financial performance of companies operating in the Al-Hussein Bin Abdullah II Industrial Estate (HUIE). The research used a hybrid strategy (quantitative and qualitative). Employees from Jordanian industrial businesses operating in Karak Industrial City made up the study population. A basic random sample of (100) people was used in the investigation. The study yielded a number of conclusions and suggestions, the most important of which are: There is a statistically significant (0.05) impact of project management SFs on organizational performance in industrial enterprises operating in Al-Hussein Bin Abdullah II Industrial Estate (HUIE). The study concluded that more research is required to determine the impact of success criteria on other issues, such as environmental performance.

Keywords: Industries, companies, Success Factors, financial performance, and project management are some of the terms used

INTRODUCTION

Whether you're an owner, planner, and engineer, or operator, project success involves aligning the results to the goals you set out to achieve. These expectations, however, may change for each participant (Sanvido, V. et al. 1990), and studying project success and success variables is frequently seen as one of the most important approaches to enhance project delivery effectiveness (Chan et al., 2004). The success of an industrial project is largely determined by how well it is handled.

Planning, project execution, cost and time overruns, and quality non-achievement have all been identified as major issues with project management approaches. More player-based research studies should be undertaken since the success criteria are more valuable in decision-making assistance. There is yet to be a thorough research that examines the critical success elements from the perspective of project managers. As a result, extensive research on this issue is required.

It is obvious that research into success determinants for industrial enterprises is still in its early stages. This was mirrored in numerous parts of Jordanian life; if these elements are used scientifically, they will produce the desired outcomes as rapidly as possible, with the least amount of expense and effort. This research intends to close the gap by identifying and analyzing success characteristics for industrial enterprises in the Al-Hussein Bin Abdullah II Industrial Estate, as well as the relationship between success factors and financial performance.

Prior research has stressed the relevance of multiple strategic orientations in determining financial business success, such as technology orientation, market orientation, customer orientation, and top management support. The following is the study's research goal

To look at the link between success criteria and financial performance.

The most crucial question in determining the best road to success is: What is the effect of project management Success Factors on financial performance on industrial enterprises operating in Al-Hussein Bin Abdullah II Industrial Estate? (HUIE).

LITERATURE REVIEW

Several studies have since been conducted on the impact of Project Management Success Factors on Financial Performance:

- According to a research conducted by Saiful Islam and Nina Evans (2020), project management employs certain tools, strategies, and processes in project development. The goal of this research is to uncover the essential success elements of the PRINCE2 project management approach in software development projects. The researcher conducts a case study at an organization where a software project is managed using the PRINCE2 project management methodology. Questionnaires and face-to-face interviews were used to collect data. Secondary data sources included document reviews and observation approaches. The researcher gathered data, and 20 factors were identified as key success factors in this research study, including defined roles and responsibilities, scope management, manage by stages, top management support, risk management, change management, communication management, managing product delivery, cost management, learning from experience, prioritizing tasks, assigning work to the right person, benefit realization, and agility.
- Bezdob, Brkis, and Gram (2019) conducted research to analyze the conditions and probable causes of the Federation of Bosnia and Herzegovina's exceptionally high and relatively surprising success rate in information technology initiatives. To that end, the available literature was extensively examined, and a suitable research design was devised.

To address the study objectives, a questionnaire was created and distributed to 400 enterprises in the F BiH that fit the required business profile, obtaining 62 valid replies. The results suggest that, regardless of organizational maturity level in project management, keeping the project size short greatly boosts the likelihood of attaining IT project success.

- Risma Marleno¹, Surjono Surjokusumo² (2018) conducted a study to assess the effect of stakeholder elements on project performance from designers, supervisory consultants, clients, and government development projects. To effectively finish projects that fulfill the needs and expectations of customers and other stakeholders. Many researchers concentrate solely on the internal operations of contractors, and as a result, shared objectives are frequently missed. The objective of this research is to validate the aspects that have a positive and substantial influence on the project's performance, with the end goal on criteria such as quality, cost, time, the health and safety of the HSE environment, and stakeholder satisfaction. The model was verified using a survey that yielded 101 completed questionnaires and using Generalized Structured Component Analytical as the analysis method.
- May Chiun Lo and Yin Chai Wang (2016) conducted research in Malaysia to examine the link between organizational performance variables such as top management support, staff orientation, technology orientation, and entrepreneurial orientation.
- Ihuah, Kakulu, and Eaton (2014) investigated the Critical Project Management Success Factors for the delivery/provision of sustainable social housing estates in Nigeria. The country's present housing estate shortfall is attributed to poor and insufficient housing delivery and distribution by several organizations. Method/design: The study employed documentary data collecting analysis, which included a determined theoretical assessment of online and visual document resources, followed by an interpretive identification of categories and material deemed relevant to the phenomena in the study.

Al-Hussein Bin Abdullah II Industrial Estate (HUIE)

- (HUIE) lies in Al-Karak Governorate, 118 kilometers south of Amman and 11 kilometers east of Al-Karak city. In October 2000, it was inaugurated under the patronage of His Majesty King Abdullah II Ibn Al-Hussein.
- The total area of (HUIE) is 186.6 ha, of which phase one was constructed on 57.8 ha.
- The availability of numerous serviced land parcels and Standard Factory Buildings (SFBs).
- (HUIE) is home to 34 businesses with a total investment of more than JD 47 million and a workforce of 4580 people.

PROJECT SUCCESS

During the last decade, there have been significant advances in project management, and academics have constantly attempted to establish the causes for the failure and success of these projects, and they have succeeded in doing so through field and applied studies in various

countries. According to Bourne and Walker (2004), project managers are held accountable for the effective completion of most projects. This success is increasingly dependent on project managers digesting and exploiting abilities and competences that may appear conflicting at first. A good project manager must be adaptable and competent in a variety of areas, including hard and soft skills, introversion and reflection, and social conduct. Many endeavors to improve the practice and profession of project management have focused on developing techniques and methods connected with competencies such as effective time, cost, and scope management.

SUCCESS FACTORS

From the standpoint of project management, success factors are features, situations, or variables that, when appropriately sustained, maintained, or controlled, can have a substantial impact on the project's success (Milosevic and Patanakul, 2005). Many studies have discovered various SFs, as well as a lack of agreement among academics on the criteria for measuring project success and the elements that determine that success (Fortune and White, 2006). Furthermore, numerous research on SFs have found that context influences which criteria are deemed most significant, as well as whether specific SFs are truly associated to success. Customer Orientation, Top Management, and Project Manager are three of the most essential aspects that will be examined in this study and their influence on financial success.

1- Customer Orientation: Customer orientation is a business concept in which the interests of the customer take precedence above the needs of the firm. Customer service skills are a collection of abilities and behaviors that may be used while working with customers. They can also be helpful when following up on a previous chat. For example, if you work as a virtual assistant for a technology business, you may be required to assist clients with gadget troubleshooting. To do this, you will most likely need to apply a variety of abilities, including:

Communication. To remedy the problem, you must be responsive in a timely manner and communicate with them in a straightforward, easy-to-understand manner.

Empathy. It entails analyzing the customer's behavior and being acquainted with his feelings and desires. In order to address the requirements of others, it is also necessary to understand and thoroughly study their feelings.

Patience. Clients and consumers may have several inquiries, be dissatisfied, or request that you repeat instructions several times. Patience is essential for keeping the conversation on topic, being pleasant, and providing a favorable experience.

Technical expertise. Managers must have extensive practical experience in their line of work in order to effectively address problems; you may need to have a little of technical or industrial expertise to assist them in resolving the issue at hand.

2-Project management factors:

The project management process necessitates a great deal of attention, talent, and analysis in order for projects to achieve their objectives as fast and as cheaply as feasible. Project management is defined as the process of controlling the achievement of project objectives

through the use of existing organizational structures and resources, and managing the project through the use of a collection of tools and techniques without interfering with a company's routine operations (Munns&Bjeirmi, 1996).

3- Project manager factors.

The project manager is one of the most crucial variables in project success; in fact, the manager plays a significant role in project success. The manager, as one of the primary forces influencing project performance, is also examined from the standpoint of success factors. The expertise, commitment, competence, and authority of the project manager, in particular, were examined as variables impacting project success.

METHODOLOGY.

- In this study, the technique utilized to accomplish the link between the success factor and financial performance is the development of a conceptual framework. A success factor is a variable that can have a major influence on project success and offer demonstrable gains. Based on the literature and theoretical achievements, we may deduce that there is a very close relationship between Project Management Success Factors and Financial Performance.

-A mixed method was utilized to investigate the effects of the Critical Success Factors of Project Management on Financial Performance, which were categorised as follows:

- A quantitative technique was used, which was represented by a questionnaire.

- A qualitative method was used, which was demonstrated by conducting interviews.

DATA COLLECTION

Primary data: A questionnaire was created and given to numerous industrial enterprises in Al-Hussein Bin Abdullah II Industrial Estate for this study.

Secondary data: This refers to information and knowledge gleaned from prior investigations. In addition, books, magazines, journals, theses, case studies, the industrial zone in Karak, and the Karak Chamber of Industrialization and Commerce were employed as secondary data sources in the study. The administrative employees working in the enterprises operating in the Al- Karak industrial city, which are formally registered in Jordan's Industrial Companies Registry, represented the study population. A questionnaire was utilized to obtain input from possible responders, and the sample would include project stream members from Al-Hussein Bin Abdullah II Industrial Estate employees (HUIE)., The goal of this study is to obtain a sample size of roughly (100) simple random samples.

RELIABILITY

To ensure the tool's dependability, we use the Cronbach's Alpha equation to sample the original study, in order to determine the stability of the internal consistency for each field of study, as shown in table (1):

Table 1: The values of reliability coefficient by Cronbach's alpha

Factors	Cronbach's alpha
Assessing the success factors of project management.	0.892
Assessing project manager success factors	0.973
Assessing success factors for service recipients	0.911
Financial performance	0.917

We show in table (1) the reliability coefficient for the items strong loading, where the range of values (0.892- 0.973) it is sufficient values.

Factor analysis.

We utilized the SPSS version 25 in analyzing 26 elements of the Likert scale to arrive at the result in factor analysis, before doing axial component analysis, the data's appropriateness for factor analysis. It was evaluated. Many coefficients with values of 0.3 or higher were found in the correlation matrix. The Kaiser-Meyer-Okin score was 0.900, and the Bartlett's Test of Sphericity gained statistical significance, indicating that the correlation matrix is factorable. The Axial Components Analysis using Varimax Rotation method was utilized. We have four items by rotated component matrix was recognized the strong loading axial factors by Rotation Sums of Squared Loadings result.

Table 2: Person correlation between paragraph and items results

Paragraph	Factor analysis	Paragraph	Factor analysis
1	0.779	14	0.836
2	0.835	15	0.689
3	0.811	16	0.795
4	0.777	17	0.703
5	0.822	18	0.589
6	0.820	19	0.588
7	0.686	20	0.611
8	0.862	21	0.876
9	0.864	22	0.839
10	0.830	23	0.771
11	0.829	24	0.825
12	0.860	25	0.808
13	0.791	26	0.787

Sample study:

The study sample consisted of (100) Industrial companies operating in Al-Hussein Bin Abdullah II Industrial Estate (HUIE), who were randomly selected from the study population; Table (3) shows the descriptive statistics of the personal variables:

Table 3: Descriptive statistics of the personal variables

Variable	Group	Frequency	Percentage
Age	30 years and less	12	12.0
	31-40 years	37	37.0
	41-50 years	41	41.0
	More than 50 years	10	10.0
Career level	Manager	3	3.0
	Assistant director	11	11.0
	Head of department	35	35.0
Career experience	Employee	51	51.0
	5 years and less	9	9.0
	6-10 years	34	34.0
	11-15 years	39	39.0
	16 years and more	18	18.0
Educational qualification	High school is less	0	0.00
	Intermediate diploma	41	41.0
	Bachelor	51	51.0
	Graduate	8	8.0
The age of the company	5 years and less	0	0.0
	6-10 years	26	26.0
	11-15 years	59	59.0
	16-20 years	12	12.0
	21 year and more	3	3.0
Company size:	50 employee and less	6	6.0
	51-100	12	12.0
	101-140	28	28.0
	141-300	15	15.0
	301 and more	39	39.0
Total		100	100.0

Shows of the table (3) the following:

1. Reached highest percentage of the age (41.0%) for the age level (41-50 years), while reached lowest percentage (10.0%) for the age level (more than 50 years).
2. Reached highest percentage of the career level (51.0%) for the job (employee), while reached lowest percentage (3.0%) for the job (Manager).
3. Reached highest percentage of the career experience year (39.0%) for the experience years (11-15 years), while reached lowest percentage (9.0%) for the experience years (5 years and less).
4. Reached highest percentage of the educational qualification (51.0%) for the level education (Bachelor's Degree), while reached lowest percentage (0.0%) for the level education (High school is less).
5. Reached highest percentage of the age of the company (59.0%) for the years (11-15 years), while reached lowest percentage (0.0%) for the years (5 years and less).

- Reached highest percentage of the company size (39.0%) for the level size (301 and more), while reached lowest percentage (6.0%) for the level size (50 employee and less).

The tripartite statistical criteria was employed (Kilani and Sherifin, 2014) to explain the means of the estimations of the research sample members on each paragraph of the questionnaire as well as on each of its areas

Table 4: The statistical standard was utilized to interpret the means of the research sample members' estimates on each of the tool paragraphs and fields

Mean	Degree of agreement
From 1.00 - less than 2.34	Low
From 2.34 - less than 3.68	Medium
From 3.68 to 5.00	High

The length of each grade was calculated through

$$\frac{\text{highest value} - \text{lowest value}}{\text{number of grades}} = \frac{5-1}{3} = 1.33$$

The Independent Variables: The Influence of Project Management Success Factors.

The first variable is evaluating project management success factors.

Table 5: The mean and standard deviation for the paragraph domain (assessing the success factors of project management) and domain overall

Id	Paragraph	Mean	St. deviation	Order	Degree of agree
5	Company management motivates employees who have the ability to innovate, change and modernize	3.990	0.810	1	High
4	The company's management is familiar with the experiences of other competing companies.	3.970	0.784	2	High
3	The management of the company works on studied and applied scientific methods.	3.950	0.880	3	High
6	The company's management provides the right infrastructure to make the work	3.940	0.827	4	High
2	The company's management focuses on modern entrepreneurial methods.	3.870	0.800	5	High
1	The company's management applies comprehensive quality management standards in all its activities.	3.840	0.884	6	High
7	Involves the management of the company working in decision-making	3.690	0.907	7	High
	Domain overall	3.893	0.657		High

we see in table (5) the mean for paragraph domain (assessing the success factors of project management) ranked between (3.69-3.99) by high degrees, the highest mean for the paragraph (5) “Company management motivates employees who have the ability to innovate, change and modernize”, then followed mean (3.97) for paragraph (4) “The company's management is familiar with the experiences of other competing companies.”, while the lowest mean for paragraph (7) “Involves the management of the company working in decision-making”, and reached the mean for domain overall (3.893).

The second variable: Assessing project manager success factors

Table 6: The mean and standard deviation for the paragraph domain (Assessing project manager success factors) and domain overall

Id	Paragraph	Mean	St. deviation	Order	Degree of agree
13	The manager employs technology to achieve the company's goals.	4.160	0.735	1	High
8	The manager is keen to create a competitive work environment	4.140	0.910	2	High
9	The manager provides opportunities for employees for modernization and development	4.120	0.902	3	High
10	The manager hears the ideas of the workers and takes care of them for planning.	4.030	0.989	4	High
11	Involves the manager involved in the decision-making process.	4.000	0.974	5	High
12	The director applies the foundations of proper administrative control to employees.	3.920	0.992	6	High
14	The manager selects competencies to lead and manage the company	3.830	1.083	7	High
	Domain overall	4.029	0.877	High	

we see in table (6) the mean for paragraph domain (assessing project manager success factors) ranked between (3.83-4.160) by high degrees, the highest mean for the paragraph (13) “The manager employs technology to achieve the company's goals”, then followed mean (4.14) for paragraph (8) “The manager is keen to create a competitive work environment”, while the lowest mean for paragraph (14) “The manager selects competencies to lead and manage the company”, and reached the mean for domain overall (4.029).

The third variable: Assessing success factors for service recipients

Table 7: The mean and standard deviation for the paragraph domain (Assessing success factors for service recipients) and domain overall

Id	Paragraph	Mean	St. deviation	Order	Degree of agree
18	The company's mission focuses on customer satisfaction.	4.300	0.461	4	High
19	The company considers customers one of its top priorities.	4.280	0.451	5	High
20	The company's strategy supports the continuous improvement of its customer services.	4.270	0.446	6	High
21	The company's management focuses on the needs of its customers.	4.230	0.423	7	High
16	The company responds to customers' wishes and requests quickly.	4.140	0.551	2	High
17	The company is constantly interested in the opinions and complaints of customers.	4.130	0.597	3	High
15	The company's strategy is reviewed based on research and studies aimed at improving services and customer satisfaction.	3.810	0.787	1	High
	Domain overall	4.166	0.440	High	

we see in table (7) the mean for paragraph domain (assessing success factors for service recipients) ranked between (3.81-4.30) by high degrees, the highest mean for the paragraph

(18) “The company's mission focuses on customer satisfaction”, then followed mean (4.28) for paragraph (19) “The company considers customers one of its top priorities.”, while the lowest mean for paragraph (1) “The company's strategy is reviewed based on research and studies aimed at improving services and customer satisfaction”, and reached the mean for domain overall (4.166).

The dependent variable: Financial performance

Table 8: The mean and standard deviation for the paragraph variable (financial performance) and domain overall

Id	Paragraph	Mean	St. deviation	Order	Degree of agree
24	A combination of factors affects financial performance in excess and decrease.	4.650	0.539	1	High
22	The company's financial performance changes depending on the performance of the employees.	4.590	0.552	2	High
25	The company applies specific criteria on which to assess its financial performance.	4.510	0.703	3	High
23	Financial performance is characterized by excellence compared to companies operating in the same sector.	4.430	0.820	4	High
26	The company's financial performance is constantly improving.	4.360	0.916	5	High
	Domain overall	4.508	0.625	High	

we see in table (8) the mean for paragraph variable (financial performance) ranked between (4.36-4.65) by high degrees, the highest mean for the paragraph (24) “A combination of factors affects financial performance in excess and decrease.”, then followed mean (4.59) for paragraph (22) “The company's financial performance changes depending on the performance of the employees”, while the lowest mean for paragraph (26) “The company's financial performance is constantly improving”, and reached the mean for domain overall (4.166).

Table 9: The outcomes of basic linear regression

R	R Square	Adjusted R Square	F	Sig ⁺	Regression coefficients				
					Domain	β	Std. Error	T	Sig ⁺
0.212	0.045	0.035	4.610	0.00*	Assessing the success factors of project management	0.202	0.094	2.147	.034*

* Statistically significant at the 0.05 level of significance. Table (9)

we see the value of the correlation coefficient between the independent variable (assessing the success factors of project management) and the dependent variable (financial performance) was (0.212), the value of the coefficient of determination (R2) (0.045), and that the value of the modified coefficient of determination (modified R2) (0.035), which indicates To that the

independent variable (assessing the success factors of project management) was able to explain (3.5%) of the changes in the dependent variable financial performance and the rest was attributable to other factors. A value (T = 2.147) which shows the effect of (assessing the success factors of project management) on financial performance. Therefore, there is a significant effect of the sample linear regression coefficient, which was (0.202), which is a positive effect.

Table 10: The results for simple linear regression

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Domain	β	Std. Error	T	Sig*
0.410	0.168	0.160	19.852	0.00*	Assessing project manager success factors	0.293	0.066	4.456	.000*

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

Table (10) we see the value of the correlation coefficient between the independent variable (assessing project manager success factors) and the dependent variable (financial performance) was (0.410), the value of the coefficient of determination (R²) (0.168), and that the value of the modified coefficient of determination (modified R²) (0.160), which indicates To that the independent variable (assessing project manager success factors) was able to explain (16.0%) of the changes in the dependent variable financial performance and the rest was attributable to other factors. A value (T = 4.456) which shows the effect of (assessing project manager success factors) on financial performance. Therefore, there is a significant effect of the sample linear regression coefficient, which was (0.293), which is a positive effect.

Table 11: The results for simple linear regression

R	R Square	Adjusted R Square	F	Sig*	Regression coefficients				
					Domain	β	Std. Error	T	Sig*
0.03	0.001	-0.009	0.087	0.769	Assessing success factors for service recipients	0.042	0.144	0.295	0.769

* Statistically significant at the level of statistical significance ($\alpha \leq 0.05$)

We see in the table (11) the value (F) reached (0.087) were not statistically significant at the level of significance ($\alpha \leq 0.05$), therefore the results for assessing success factors for service recipients is not effect by financial performance.

CONCLUSION

The purpose of this study was to determine the impact of project management success variables on organizational performance. According to the findings, there is a high correlation between project management, project manager, and service recipients and financial performance; additionally, these factors had a clear impact on the financial performance of industrial

companies operating in Al-Hussein Bin Abdullah II Industrial Estate (HUIE), and the researcher recommended that the organization employees be made more aware of the success factors and the importance of these critical success factors.

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