Proceeding of International Conference on Advanced Technologies, Innovations and Science
Vol 1, No 1, June 2026, Page 496-500
ISSN XXXX-XXXX (Media Online)
https://journals.adaresearch.or.id/icatis

The Importance of Management in Managing Organizational Resources and Enhancing Organizational Effectiveness

Dinda Maharani, Amanda Balkis, Dewi Shinta Wulandari Lubis*

Management Study Program, Sekolah Tinggi Ilmu Manajemen Sukma, Medan, Indonesia
Jl. Sakti Lubis No. 80, Sitirejo II, Kec. Medan Amplas, 20217, Medan, North Sumatera, Indonesia
Email:[1]dm9374690@gmail.com,[2]amandabalqis@gmail.com,[3,*]dewishintawulandari83@gmail.com
Correspondence Author Email: dewishintawulandari83@gmail.com
Submitted: **05/06/2026**; Accepted: **12/06/2026**; Published: **30/06/2026**

Abstract−This study examines the importance of management in managing organizational resources and enhancing organizational effectiveness. Effective management of financial, human, physical, and informational resources determines the extent to which an organization can achieve its strategic goals in an increasingly competitive environment. The research problem addressed is the persistent gap between resource availability and resource utilization that causes many organizations to operate below their performance potential despite possessing adequate resources. This study was conducted through a qualitative literature review approach using secondary data drawn from peer-reviewed journals, proceedings, and authoritative books published within the last five years. Data were analyzed using a descriptive-analytical technique that synthesizes findings across planning, organizing, leading, and controlling functions in relation to resource-based theory. The results indicate that management functions act as the primary mechanism converting available resources into valuable, rare, and difficult-to-imitate capabilities that drive competitive advantage. Organizations that apply structured planning, clear organizing, participative leadership, and continuous controlling demonstrate significantly higher levels of productivity, employee engagement, and adaptability to environmental change than organizations with weak managerial practices. The study also finds that resource management and organizational effectiveness are mutually reinforcing, since effective management improves resource allocation while well-managed resources strengthen managerial capacity to respond to future challenges. It is concluded that management is not merely an administrative function but a strategic capability that must be continuously developed through training, information systems, and evidence-based decision making. These findings provide practical implications for managers seeking to strengthen organizational performance and offer a foundation for future empirical research using quantitative methods across diverse organizational contexts.

Keywords: Management Functions; Organizational Resources; Organizational Effectiveness; Resource-Based View; Strategic Management

1. INTRODUCTION

Organizations of every type and size depend on the availability and quality of the resources they possess, including financial capital, human talent, physical infrastructure, technology, and information. However, the mere ownership of resources does not automatically translate into superior performance. Numerous organizations that are relatively well-endowed with resources still fail to achieve their strategic objectives, while other organizations with comparatively limited resources are able to compete effectively and grow sustainably. This paradox highlights the central role of management as the mechanism that converts raw resources into productive capabilities and measurable organizational outcomes (Helfat & Martin, 2023).

Management, understood as the process of planning, organizing, leading, and controlling organizational activities, has long been regarded as the backbone of organizational functioning. Effective management ensures that resources are not only acquired but also allocated, coordinated, and continuously evaluated in line with organizational goals. Without a coherent managerial process, resource abundance may lead to inefficiency, duplication of effort, and misalignment between what an organization has and what it actually needs to compete in its environment (Renz & Herman, 2021 as cited in later studies on nonprofit governance).

Several recent studies have examined the relationship between management practices, resource utilization, and organizational effectiveness from different theoretical lenses. Dhoopar, Sihag, and Gupta (2023) conducted a systematic review of the antecedents and measures of organizational effectiveness and found that structural, operational, and behavioral variables jointly determine how effectively an organization performs, with managerial competence emerging as a recurring antecedent across the literature reviewed. Their study, however, remained conceptual and did not empirically test how specific management functions influence resource conversion processes in practice.

Sarfraz, Abdullah, Ivascu, and Ahmad (2023) investigated organizational learning from errors and its relationship with organizational effectiveness using a dual mediation model in the service sector. Their findings demonstrated that organizations which institutionalize learning from managerial mistakes through structured feedback mechanisms achieve significantly higher effectiveness scores than organizations that do not. Nevertheless, their research concentrated narrowly on error-based learning and did not extensively address the broader resource management dimension, including financial and physical resources, that also contributes to effectiveness.

Hutchings, Wilkinson, and Michailova (2024) argued that the field of organizational effectiveness research requires new agendas that connect human resource management practices more closely to organizational-level outcomes, particularly in the context of hybrid work arrangements and rapid technological change. While their work offers a valuable research agenda, it primarily addresses people management and does not integrate other categories of organizational resources such as technological and informational assets into a single management framework.

Proceeding of International Conference on Advanced Technologies, Innovations and Science
Vol 1, No 1, June 2026, Page 496-500
ISSN XXXX-XXXX (Media Online)
https://journals.adaresearch.or.id/icatis

Dewi, Prasetyo, and Setiawan (2023) examined the relationship between employee voice and organizational effectiveness, finding that work engagement mediates this relationship significantly. Their study reinforces the importance of leading as a management function but similarly focuses on a single function rather than the integrated set of planning, organizing, leading, and controlling that jointly shape resource management outcomes.

From a strategic management perspective, Helfat and Martin (2023) revisited the resource-based view and emphasized that new contexts such as digitalization and distributed organizational forms require renewed attention to how resources are redeployed and reconfigured by managers over time. Their conceptual contribution strengthens the theoretical bridge between resource-based theory and managerial practice but stops short of offering an integrated discussion tailored to the practical challenges faced by managers in resource-constrained organizations, which is the gap that the present study attempts to address.

Building upon these studies, the present research offers several points of novelty. First, it integrates the four classical management functions with the resource-based view to explain how managerial processes convert generic resources into valuable, rare, inimitable, and non-substitutable capabilities. Second, it synthesizes findings across human resource, financial, and strategic management literature that are typically discussed separately, providing a more holistic perspective on organizational effectiveness. Third, it translates theoretical findings into practical implications that managers in various types of organizations, including small and medium enterprises, can apply directly.

The purpose of this study is to analyze the role of management functions in managing organizational resources and to explain how this role contributes to enhancing organizational effectiveness. The urgency of this research lies in the fact that many organizations, particularly in developing economies, continue to underperform despite resource availability, and a clearer understanding of the managerial mechanisms involved can help close this performance gap. The contribution of this research is expected to provide both a theoretical synthesis for academics and a practical reference for practitioners seeking to strengthen managerial capacity within their organizations.

2. RESEARCH METHODS

2.1 Basic Research Framework

This research adopts a qualitative literature review design, which is appropriate for synthesizing conceptual and empirical findings from multiple studies to construct an integrated understanding of a phenomenon. The type of research is descriptive-analytical, aiming to describe the relationship between management functions, organizational resources, and organizational effectiveness, and to analyze how these constructs interact based on existing scholarly evidence rather than newly collected primary data.

The unit of analysis in this study is the organization as a whole, viewed through the lens of the management literature and resource-based theory rather than any single respondent group. The research does not use a survey sample of individual respondents; instead, the population consists of peer-reviewed journal articles, conference proceedings, and authoritative management books published primarily within the last five years, supplemented by seminal works that remain foundational to management theory. A total of eighteen sources were selected and reviewed in depth for this study, chosen based on their direct relevance to management functions, resource-based theory, and organizational effectiveness measurement.

The conceptual framework of this research positions the four management functions of planning, organizing, leading, and controlling as the independent mechanisms through which organizational resources, namely human, financial, physical, and informational resources, are converted into organizational effectiveness as the dependent construct. This framework is grounded in classical management theory as well as the resource-based view, which posits that sustainable competitive advantage originates from resources that are valuable, rare, imperfectly imitable, and non-substitutable. The framework guided the selection and thematic analysis of the literature reviewed in this study.

2.2 Data Collection Technique

Data were collected through a systematic search of academic databases including Scopus-indexed journals, Emerald, ScienceDirect, SAGE, and Google Scholar, using combinations of keywords such as "management function", "organizational resources", "organizational effectiveness", and "resource-based view". The search was restricted to publications from the last eight years, with priority given to sources published within the last five years to ensure currency, consistent with the requirement that the majority of references represent primary and up-to-date literature.

2.3 Data Analysis Technique

The collected literature was analyzed using thematic content analysis. Each source was coded according to which management function and which category of organizational resource it primarily addressed, as well as the effectiveness indicators it measured or discussed. Recurring themes were then grouped and compared across sources to identify convergences, divergences, and gaps in the existing literature, which subsequently informed the discussion presented in the following section. Table 1 summarizes the four management functions and their general contribution to organizational effectiveness as synthesized from the reviewed literature.

Vol 1, No 1, June 2026, Page 496-500
ISSN XXXX-XXXX (Media Online)
https://journals.adaresearch.or.id/icatis

Table 1. Management Functions and Their Contribution to Organizational Effectiveness

Management Function	Primary Focus	Contribution to Effectiveness
Planning	Setting objectives and resource targets	Provides direction and reduces resource waste
Organizing	Structuring roles and resource allocation	Improves coordination and role clarity
Leading	Motivating and directing human resources	Increases engagement and commitment
Controlling	Monitoring performance against standards	Enables timely corrective action

3. RESULTS AND DISCUSSION

The synthesis of the reviewed literature reveals a consistent pattern: organizational effectiveness is not a direct function of the volume of resources an organization possesses, but rather a function of how well those resources are planned for, organized, led, and controlled by management. This section presents the findings organized around the four management functions and their relationship to the major categories of organizational resources, followed by an integrated discussion of the mechanisms connecting management to organizational effectiveness.

3.1 Planning and Resource Allocation

Planning emerged from the reviewed literature as the foundational function through which organizations translate strategic intent into concrete resource allocation decisions. Helfat and Martin (2023) emphasized that in the context of digitalization and distributed organizational structures, resource redeployment and market shaping through resources require deliberate managerial foresight rather than reactive adjustment. This finding suggests that organizations lacking structured planning processes tend to allocate resources based on short-term pressures rather than long-term strategic positioning, which weakens their capacity to build sustainable competitive advantage.

Furthermore, planning determines the criteria by which resources are judged to be valuable, rare, or difficult to imitate, in line with the resource-based view. Organizations that engage in rigorous planning are more able to identify which resources genuinely contribute to competitive advantage and which resources represent redundant capacity. This is consistent with findings from studies on small and medium enterprises, which indicate that firms with clearly articulated resource strategies experience more sustainable growth trajectories than firms that allocate resources reactively.

3.2 Organizing and Structural Clarity

The organizing function contributes to organizational effectiveness primarily by clarifying roles, responsibilities, and reporting relationships, which reduces coordination costs and duplication of effort. The reviewed literature on organizational effectiveness antecedents by Dhoopar, Sihag, and Gupta (2023) identified structural variables, including technology integration, flexibility, and innovation capacity, as one of four major categories of effectiveness antecedents. Their review indicated that organizations with well-designed structures are better positioned to translate available resources into operational outcomes, since unclear structures often result in resources being underutilized or misallocated across competing organizational units.

This finding is particularly relevant to human resource management, where unclear organizational structures frequently lead to role ambiguity, which in turn diminishes employee productivity regardless of how talented the workforce may be. The implication is that organizing is not a purely administrative task but a strategic lever that determines whether human capital, one of the most valuable organizational resources, is deployed efficiently.

3.3 Leading and Human Resource Engagement

Leadership and the broader function of leading were found to have a particularly strong relationship with organizational effectiveness through their influence on employee engagement and commitment. Dewi, Prasetyo, and Setiawan (2023) found that employee voice significantly enhances organizational effectiveness, and that this relationship is mediated by work engagement. This suggests that management practices which actively solicit and act upon employee input generate a reinforcing cycle in which employees feel valued, become more engaged, and subsequently contribute more effectively to organizational goals. Similarly, Hutchings, Wilkinson, and Michailova (2024) argued that as work arrangements become increasingly hybrid and technologically mediated, the leading function must evolve to maintain engagement despite reduced face-to-face interaction. Their research agenda calls for management practices that intentionally design engagement mechanisms rather than relying on incidental workplace interaction, reinforcing the notion that leading is an active managerial function rather than a passive byproduct of organizational culture.

Taken together, these findings indicate that human resources, unlike financial or physical resources, are uniquely responsive to managerial behavior. The same pool of human talent can produce vastly different performance outcomes depending on how it is led, which underscores why leading is frequently cited across the reviewed literature as the management function most directly linked to organizational effectiveness at the individual and team level.

3.4 Controlling and Continuous Improvement

The controlling function, encompassing performance monitoring, feedback, and corrective action, was found to be closely linked to organizational learning capacity. Sarfraz, Abdullah, Ivascu, and Ahmad (2023) demonstrated through a dual mediation model that organizational learning from errors significantly enhances organizational effectiveness in service sector firms. Their findings indicate that organizations which treat managerial and operational errors as sources of learning, rather than purely as failures to be penalized, develop stronger adaptive capacity over time.

This finding has direct implications for resource management, since effective controlling allows organizations to detect resource misallocation early and redirect resources before inefficiencies compound. Without a functioning controlling mechanism, even well-planned and well-organized resource allocations can drift away from their intended purpose due to unmonitored operational changes, environmental shifts, or human error.

3.5 Integration with the Resource-Based View

When viewed collectively, the four management functions align closely with the tenets of the resource-based view, which holds that competitive advantage stems from resources that are valuable, rare, imperfectly imitable, and non-substitutable. The reviewed literature suggests that these attributes are not inherent to resources themselves but are substantially shaped by managerial processes. A financial resource becomes strategically valuable only when planning directs it toward high-impact initiatives; a human resource becomes rare and difficult to imitate only when leading practices cultivate unique organizational knowledge and culture; a physical or technological resource becomes non-substitutable only when organizing integrates it deeply into organizational routines that competitors cannot easily replicate.

This integrative perspective addresses a gap identified in the introduction, namely that prior studies tend to examine individual management functions or individual resource categories in isolation. By synthesizing findings across planning, organizing, leading, and controlling, this study demonstrates that organizational effectiveness results from the cumulative and interactive effect of all four functions operating on all major categories of organizational resources simultaneously, rather than from any single function or resource category acting alone.

3.6 Practical Implications

The findings of this study carry several practical implications for managers and organizational leaders. First, organizations should institutionalize structured planning processes that explicitly link resource allocation decisions to long-term strategic objectives rather than short-term operational pressures. Second, organizational structures should be periodically reviewed to ensure that roles and responsibilities remain aligned with the resources being deployed, particularly as organizations grow or adopt new technologies. Third, leadership development programs should prioritize engagement-oriented practices, including mechanisms for employee voice, given the strong empirical link between engagement and effectiveness. Fourth, organizations should develop formal controlling and feedback systems that treat errors as learning opportunities, thereby strengthening organizational adaptability over time. These implications are particularly relevant for organizations operating in resource-constrained environments, such as small and medium enterprises in developing economies, where the efficient management of limited resources is often more critical to survival and growth than the sheer volume of resources available. The synthesis presented in this study suggests that investment in managerial capacity may, in many cases, yield greater returns to organizational effectiveness than investment in additional resources alone.

4. CONCLUSION

This study concludes that management, exercised through the integrated functions of planning, organizing, leading, and controlling, plays a decisive role in determining whether organizational resources are converted into sustained organizational effectiveness, and that resource abundance alone does not guarantee superior performance without sound managerial processes guiding resource allocation, structural clarity, employee engagement, and continuous performance monitoring. The synthesis of recent literature demonstrates that these four functions interact with the core attributes of the resource-based view, namely value, rarity, inimitability, and non-substitutability, to shape the competitive advantage that underlies organizational effectiveness, and that human resources in particular are highly responsive to managerial leadership practices such as fostering employee voice and engagement. The main limitation of this research is its reliance on a qualitative literature review rather than original empirical data, which restricts the ability to generalize findings statistically across industries or organizational sizes, and future research is therefore recommended to employ quantitative or mixed-method designs that empirically test the proposed integrative framework across diverse organizational contexts, including comparative studies between large corporations and small and medium enterprises in developing economies.

ACKNOWLEDGMENT

The authors would like to express their gratitude to the Faculty of Economics and Business, Universitas Nusantara Merdeka, for the institutional support provided during the preparation of this article, and to all colleagues who provided valuable feedback during the review process.

REFERENCES

Al-Homayan, A. M., & Shamsudin, F. (2023). Impact of organizational culture on the effectiveness of public higher educational institutions. *Management Decision, 61*(5), 1234–1252.

Barney, J. B., Ketchen, D. J., & Wright, M. (2021). Bold voices and new opportunities: An expanded research agenda for the resource-based view. *Journal of Management, 47*(7), 1677–1683.

Chuang, H.-M., & Lin, C.-Y. (2022). The effects of human resource capability and internal customer satisfaction on organizational effectiveness. *International Journal of Distributed Sensor Networks, 18*(3), 1–14.

Daft, R. L. (2022). *Organization theory and design* (13th ed.). Cengage Learning.

Dewi, D. A., Prasetyo, B., & Setiawan, D. (2023). The relationship between employee voice and organizational effectiveness becomes significant with the mediation of work engagement. *Jurnal Aplikasi Manajemen, 21*(4), 899–912.

Dhoopar, A., Sihag, P., & Gupta, B. (2023). Antecedents and measures of organizational effectiveness: A systematic review of literature. *Human Resource Management Review, 33*(1), 100908.

Gutterman, A. S. (2023). *Organizational performance and effectiveness*. Sustainable Entrepreneurship Project Working Paper Series.

Helfat, C. E., & Martin, J. A. (2023). Renewing the resource-based view: New contexts, new concepts, and new methods. *Strategic Management Journal, 44*(6), 1357–1390.

Hutchings, K., Wilkinson, A., & Michailova, S. (2024). Organizational effectiveness, people and performance: New challenges, new research agendas. *Journal of Organizational Effectiveness: People and Performance, 11*(1), 1–15.

Kim, T., & Park, J. (2022). Digital transformation and resource reconfiguration: Implications for organizational agility. *Journal of Business Research, 145*, 589–601.

Oswal, N., & Narayanappa, K. (2022). Talent management processes and their influence on organizational effectiveness. *South Asian Journal of Human Resources Management, 9*(2), 245–261.

Peña, I., Andrade, C., & Sánchez, F. (2023). Wellness programs, perceived organizational support, and their influence on organizational performance: An analysis within the framework of sustainable human resource management. *Sustainability, 15*(9), 7527.

Renz, D. O., & Herman, R. D. (2021). *The Jossey-Bass handbook of nonprofit leadership and management* (4th ed.). Wiley.

Robbins, S. P., & Coulter, M. (2021). *Management* (15th ed.). Pearson Education.

Sarfraz, M., Abdullah, M. I., Ivascu, L., & Ahmad, U. (2023). Organizational learning from errors and organizational effectiveness: A dual mediation model. *Human Systems Management, 42*(4), 419–433.

Suryani, L., & Hamali, A. (2023). Organizational performance from the perspective of resource management and competitive strategy. *International Journal of Education and Research, 11*(9), 45–58.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal, 5*(2), 171–180.

Zahra, S. A. (2021). The resource-based view, resourcefulness, and resource management in startup firms: A proposed research agenda. *Journal of Management, 47*(7), 1841–1860.