



INTERNATIONAL PROJECT MANAGEMENT

Training material

Part 2

INCONEXT PROJECT

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II. Team Building and Human Factor in International Project Management

Teamwork is the ability to work together towards a common vision, to direct individual accomplishment towards objectives. The role of team building in the project is to make sure that every member of the project team is moving in the same direction, and that all the team members recognize, accept and are committed to achieving the same project goals and objectives.

Typically a team consists of two to twenty or more people, though many managers suggest that effectiveness will decrease once the numbers go above ten. Larger teams are managed in the same way as large projects – by breaking down the big team into smaller, more manageable groups. As for the work breakdown structure, such an organisational breakdown must have the appropriate coordination mechanisms between the smaller teams.

An international project team is a number of people from different cultures, ideally with complementary skills, who will have a common goal and will pursue it all together. The structure of an international project teams, their pattern of development, social processes and decision making styles at some point are affected by national cultures.

The first step in project team building is the selection of personnel who will become a staff of the project team. The process can be complicated particularly due to the high potential for conflict and negotiation with functional managers who may retain effective control over project team members. Following an analysis of skill requirements and staff availability, the team building process typically involves matching the best people to the identified project tasks, while at the same time understanding the need to make these staffing decisions in collaboration with other top managers or departmental heads.

A high performing team is typically characterized by:

- clear sense of mission;
- understanding of interdependencies;
- cohesiveness;
- trust;
- enthusiasm;
- results orientation.

On the other hand, the reasons why teams fail are poorly developed goals, poorly defined team roles, lack of motivation, poor communication, poor leadership, high project team turnover, and dysfunctional behaviour.

Gardiner (2005) defines four essential pillars for creating effective teams:

- create right environment;
- create effective communication channels;
- create strong personal and interpersonal values;
- develop flexible leadership achieving styles.

Building the international team at the project start is crucial. The project manager needs to make sure that all the individuals in the newly created team work well together. The basis for such good co-operation is trust. The project manager has to prepare the first team meeting thoroughly, interviewing key players, building trust, and giving space for an interpersonal and intercultural exchange.

The manager of an international project needs to keep in mind that team members from collectivistic, risk avoidance and high power distance cultures will have to be led differently to team members from individualistic, high risk and low power distance cultures.

III. Scope Management

It might be useful to specify three major inputs for the project proposal: the *scope definition*, the major milestones, the Work Breakdown Structure.

The project's scope is everything that is related to the project – work content as well as expected outcomes. Project scope included the naming of all activities to be performed, the resources consumed, and the end products that result, including quality standards. It also involves the project's goals, constraints, and limitations.

Project scope management is the detailed development of the project plan in order to specify the work content and outcomes of the project, the activities that must to be performed, the resources to be consumed, and the quality standards to be maintained. Scope management is the function of controlling a project in terms of its goals and objectives through the process of conceptual development, full definition, execution, and termination. It provides the foundation upon which all project work is based.

There are six steps in creating the project scope management procedure. These include *conceptual development*, the *scope statement*, *work authorization*, *scope reporting*, *control systems*, and *project closeout*.

Conceptual development is the process of choosing the best method for the achievement of the project's goals. The **scope statement** is a definition of all parameters necessary for the project to succeed. The most important for an effective scope statement development is the Work Breakdown Structure. It gives the project team the ability to create a hierarchy of activities-based priorities, creating work packages, tasks and subtasks in order to complete the overall project. When it is coupled with a clear Responsibility Assignment Matrix, the project manager is able to begin moving beyond the project. The project manager is able to divide the project into identified activities, with responsible personnel assigned to those activities.

Work authorization is the third step in project scope management. It involves formulating contractual obligations with vendors, suppliers, and clients. **Scope reporting** refers to any control systems and documentation that will be used to assess the project's overall status. It includes the creation of control documents and budget and schedule tracking. **Control systems** refer to the processes put in place in order to track the ongoing status of the project, to check if the actual projection is the same as baseline and offer corrective measures for bringing the project back on track. The last step in the project scope management is a **project closeout** which represents the project teams' best determination regarding the information and transition materials necessary to ensure a smooth transfer of the project to its clients.

Actually, the scope management process begins with the definition of the project scope. Since international projects are complex and of high risk and diversity, it is very important to clearly define the scope in the initiating phase. In order to avoid misunderstandings the scope needs to be formulated in a structured way.

In order to ensure that the objectives of the project meet customer's need and provide satisfaction, the needs of the internal and external customer have to be defined. This is why customer requirements need to be linked to project objectives, which in turn need to be traceable.

The scope definition is usually documented in a scope statement. The main tasks included in the scope definition are the analysis of products, identification of alternative approaches to doing the work, understanding and analysis stakeholder needs, and use of expert judgement.

A scope statement is a document which specifies the content of the project, and what is not covered by the project. Naturally, work that is not included in the scope statement should not be done. This document is used to develop and confirm a common understanding of the project scope. The scope statement which is the heart of scope management, reflects a project team's best efforts at creating the documentation and approval of all important project parameters prior to proceeding to the development phase. The scope statement should be supplemented by a scope acceptance document, which is signed by the project owner and the project manager, and, if necessary, by other major stakeholders. It can later be used for the measurement of the progress of the project and the assessment of the project's success or failure.

Before producing a scope statement and scope acceptance document, the project manager needs to elaborate on more details regarding the project. The manager has to divide the project into smaller parts that are called *milestones*. Milestones are major pre-defined events that represent an accomplishment towards the project's completion. They need to be passed in order to continue with the project and the criteria to pass a milestone have to be formulated in advance.

The project proposal with a rough cost and time estimate is based on milestone definitions and a Work Breakdown Structure.

The definition of milestones alone is not sufficient. The project has to be structured in more detail and the main project activities have to be identified. Breaking down large activities into smaller and manageable units is an essential part of project management. Work Breakdown Structure is a deliverable-oriented grouping of project elements which organizes and defines the total scope of the project. It is a process that sets a project's scope by breaking down its mission into a set of increasingly specific tasks. The common process is to first identify the whole project, then the major deliverables for that project, and finally, the work packages that must be accomplished to complete each deliverable. The *Work Breakdown Structure* is as a method for breaking the project up into tasks, each representing a step necessary to complete the overall project plan, and groups those tasks into a logical hierarchy. The Work Breakdown Structure typically looks like a tree diagram or can take the form of a checklist.

There are five main purposes of the whole breakdown:

- (1) it is the organization chart for the project,
- (2) it is the basis for scheduling and budgeting,
- (3) it helps to assign the responsibilities to the single identified activities,
- (4) it may be used for the improvement of overall project communication,
- (5) it makes the whole project more transparent providing a basis for monitoring and controlling.

In uncertain environment many international projects are developed in, it is unlikely that all the necessary information regarding their requirements is fully available at the start of the project. The reality of international projects often requires changes in scope. There are a number of reasons why significant project changes occur, including initial planning errors, additional knowledge of project or environmental conditions, uncontrollable mandates and client requests. There is a difference between uncontrolled, thus unmanaged changes of scope, and controlled changes. Scope change management is also referred to as scope control.

IV. Stakeholder Management

As it was mentioned before, the project proposal does not only refer to time and cost, but also to the main stakeholders of the international projects. The project proposal should include a stakeholder analysis based on the identification of a stakeholder categorization in a stakeholder matrix.

Stakeholders are persons or organizations such as customers, sponsors, performing and public organizations, that are actively involved in the project or whose interests may be positively or negatively affected by the execution or completion of the project.

There are two types of project stakeholders – internal and external. Owners and funders, banks providing capital, senior management, government agencies and media outlets, individual citizens, temporary or permanent lobbying organizations and society at large are all potential project stakeholders. International projects usually have numerous stakeholders. It is notable that in international environment the expectations and needs of the stakeholders may be contradictory. The stakeholders often have very different needs and expectations and the project development process itself can be directly affected by stakeholders.

That is the reason why project stakeholder analysis is a very useful tool which consists of formulating strategies to identify and manage for positive results the impact of stakeholders on the project. It is important to know as much about project stakeholders and their likely behaviour as possible.

Identifying several of the stakeholders in a project is easy, however, finding all of them might be a great difficulty. A variety of techniques are available for identifying and analyzing project stakeholders, such as brainstorming, brain-writing, etc.

The project manager is an important link person between the different stakeholders, especially between those who direct the project (the project board or steering committee) and those who carry out the activities (the project team). Successful project manager should develop good relations with project stakeholders in order to get to know and meet their needs and expectations, to find ways to balance a host of demands and maintain supportive and constructive relationship with each important stakeholder group.

Establishing what stakeholders really want and expect is far from straightforward. It can be done by asking them a number of questions. People are rarely clear in their first answers and a good project manager can build credibility rapidly by helping stakeholders to clarify their ideas. Each individual stakeholder belongs to some form of organizational culture that will influence their perception of and behavior towards the project. It is very useful to know something about the company culture to which they belong.

Another task of a project leader is to identify where there is a clash of expectations of different stakeholders and encourage the parties to talk to each other in order to resolve the areas of conflict. In the case of conflict, the project manager together with the team should follow these steps:

- identify stakeholder or their groups according to their interests in the project;
- specify the nature of each stakeholder's interest;
- assess each stakeholder's level of influence on the project related decisions makers;
- manage the response to that interest minimizing any potential negative impact on the project.

The probability of success of the projects that show incompatible differences between the needs of the various stakeholders is extremely low.

The core competencies required by the project managers can be divided into two categories: soft skills (behaviour skills, negotiating, cross-cultural communicating, leading, etc.) and hard skills (planning, scheduling and controlling).

Stakeholder management emphasizes mechanisms of how the company can identify, monitor and respond to its stakeholders. The mechanisms include issue analysis, consultation, strategic communication and formal contacts.

In an international project, stakeholder management means managing diversity. Therefore, the project manager has to be sensitive towards cultural differences. It is important for the project manager to identify the impact that culture can have on project management. Based on cultural frameworks, the project manager can differentiate between national cultures. Planning for diversity in an international project management environment is supported by the use of the cultural gap tool. The tool could be used to raise the awareness of the project manager regarding the manifestation of cultural differences in the project. It can also be used by the project team in identifying differences and dealing with them.

Conclusion and Q&A

Questions (I)

1. What is a project, and what are its main features? How is a project different from what most people do in their day-to-day jobs?
2. Where are the main differences between a 'standard' and an international project?
3. What are the characteristics of an international project?
4. Describe the basic elements of a project life cycle.
5. What are some of the principal reasons why project management has become such a popular business tool in recent years?
6. What is project management? What can impede the successful management of an international project?

Exercise

Work in groups of five people, if possible from different cultures, and think about your personal experience in the last five years. What would classify as an international project?

Questions (III)

1. What are the most important tasks to be accomplished in the project initiating phase of an international project?
2. Why is it important to develop a preliminary project scope statement during project initiation?
3. Why is it important to develop a good the Work Breakdown Structure? What are the steps in the Work Breakdown Structure?
4. What are the major inputs to the project proposal? Could you please describe all of them?
5. What are the main reasons why significant project changes occur?

Questions (IV)

- Who are stakeholders of a project?
- What is the main purpose of performing a stakeholder analysis? When should it be done?
- Would the use of stakeholder analysis tools help to predict the behaviour of any stakeholders in a project?