Project Sustainable Economy:  
The Significance of Project Teams

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Project Sustainable Economy;  
Project teams

Abstract: Project Sustainable Economy is a unique project approach to business that balances and solves the project’s environmental, social, and economic aspects with the primary objective of effectively addressing the current requirements of stakeholders, according to the authors from two Project Management Institute definitions. For all projects aimed at business growth, development and sustainability, the quality of teams is crucial. This research aims to investigate the factors within project teams that have an impact on the success of sustainable business projects. The research identifies success-contributing factors in the Project Sustainable Economy, such as decision time, team dynamics, acceptance of proposed methods, a defined plan, quality of relationships, successful project managers, and constructive conflict resolution. The paper’s substantive contribution lies in empirical research conducted on a sample of 102 project team members. The findings underscore that enhanced communication and interpersonal relationships among team members emerge as pivotal factors fostering success within the ambit of the sustainable economy project.

1. INTRODUCTION

Today, there is a growing emphasis on environmental preservation, sustainable development, and investments directed toward projects and initiatives that have a positive impact on the environment and society. The United Nations (2015) adopted the Sustainable Development Goals as a roadmap for achieving a sustainable and inclusive society by 2030. Sustainable projects have become essential elements in developing modern entrepreneurship and economic prosperity. The European Commission (2018) published its first Action Plan for a Greener and Cleaner Economy. The European Union established the European Green Deal as a foundation for a green transition, with goals including climate neutrality by 2050, strengthening the economy through green technology, creating a sustainable industry, and reducing pollution (European Commission, 2019). The European funds distributed financial assets in seven-year financial periods or perspectives. Various EU funds enable the financing and initiation of numerous projects in renewable energy sources, energy efficiency, nature conservation, recycling, and many other ecologically sustainable initiatives.

Therefore, society’s economy and economic development are moving toward a project-based business model. A project represents a temporary endeavour to create a unique product, service, or result with a defined start and end, specified goals, costs, and deadlines (Project Management Institute, 2021). The Project Economy is described as a fundamental paradigm shift in business, moving toward using projects to handle work and solve problems (Project Management Institute, 2021). In the Project Economy, it is crucial to have individuals with the skills and

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capabilities to turn ideas into reality. *Sustainability involves balancing different concerns: environment, such as climate change; society, such as community; economy, such as affordability; and administration, such as health and safety* (*Project Management Institute, 2021*).

From the mentioned definitions, the authors create the following definition: Project Sustainable Economy is a unique project approach to business that balances and solves the project’s environmental, social, and economic aspects with the primary goal of meeting the current needs of stakeholders.

To achieve a Project Sustainable Economy, well-organized project teams are necessary. The main goal of this paper is to investigate the factors within project teams that have a crucial impact on the success of a project sustainable economy. Based on data collected through primary research, the paper analyses team members’ crucial communication and relationship factors, which are essential for success in the project sustainable economy. Empirical research allows the analysis of the significance of the communication and relationship factors in a project sustainable economy.

### 2. LITERATURE REVIEW

If society wants to reach the goals of climate neutrality by 2050, it needs to develop many sustainable projects. In a situation where the product life cycle has shortened due to a constant need for innovations and changes, the use of project management models for the development of a society focused on a project sustainable economy becomes necessary. Achieving strategic goals is essential for aligning with the management of sustainable projects realizing enhanced value for individuals and organizations. Concepts and models of green development (*Borodina et al., 2022*) are essential for sustainable development.

The effects (positive or negative) of climate change are global and local (*Naseem & Abbas, 2022*). A clean, sustainable, carbon-free economy poses challenging goals for project managers and teams. The EU Biodiversity Strategy for 2030 aims to enhance the protection and restoration of nature (*European Commission, 2020*). Marine Strategy provides legal protection and obligations for restoring carbon sinks in wetlands, forests (*Ohmura & Creutzburg, 2021*), and other carbon-rich habitats. The biodiversity of the oceans, or Blue Economy (*Proczek & Garbarczyk, 2023*), is subject to human activity and climate change effects. Taxonomy (*Agarwala et al., 2021*) can help trace climate change’s physical and transition impacts. Climate projects require an unprecedented structural transformation of the global economy over the next few decades. Managing or participating in multiple projects simultaneously is the main reason for delays (*Gordon et al., 2021*) and the failure to achieve set goals. The relationship between complexity and seniority (*Barbalho et al., 2022*) is essential for the project schedule. The study by Chadidi and Homolka (2023) confirms that increasing team size does not change team performance.

A project’s success depends on the characteristics and interaction of the individuals forming project teams. Behind every successful project is a team of members with unique skills, experiences, and perspectives collaborating to overcome challenges and achieve set goals. Integrating soft skills (*Shkoda et al., 2022*) and hard skills is crucial for project success. Projects must contribute to companies’ strategy and stakeholders’ benefits (*Castro et al., 2022*).

Project managers must possess well-developed soft skills: communication, teaching, motivation, etc., essential in the profession (*Podgór ska & Pichlak, 2019*) to engage their team and keep...
the project focused on set objectives. A project manager’s emotional intelligence can contribute to creating project team satisfaction (Zhang et al., 2018), improve the company’s climate (Castro et al., 2022), boost collaboration satisfaction (Zhang et al., 2018), increase job engagement (Qureshi et al., 2020), minimizing team turnover (Rehman et al., 2020), increasing trust toward their team and vice versa (Rodrigues & Rebelo, 2021) or solve a coordination problem (Duijf, 2021). Despite being above-average in quality, many projects or project teams fail due to a lack of leadership.

Project team members with a higher level of involvement and influence, promote learning, creativity, and adaptation within the project team’s environment (Shafique et al., 2023). The project team needs the freedom to focus on delivery, value, and experimentation. Trust positively influences team performance and project success (Imam & Zaheer, 2021). The influence of trust and its impact on project execution and outcomes is confirmed (Guo et al., 2021). Team efficacy is based on trust, cooperation, and knowledge sharing (Imam & Zaheer, 2021).

Projects are drivers of innovation, growth, and success, which is crucial for business. Better transmission of information leads to shorter and more frequent rest periods, impacting faster project completion. The Project Management Institute (2017) forecasts that the value of project activities worldwide will reach $20 billion by 2027, creating jobs for an estimated 88 million people. It is vital for construction projects to establish the idea of complexity and identify the elements that influence it (Abdullahi et al., 2022). The latest trends in using digital platforms for remote work, various artificial intelligence applications, and data analysis pose new challenges for project teams. As indicated by Corrocher and Lenzi (2022), knowledge diversity is positively associated with innovation. The digital economy (Skvarciany et al., 2023) is essential to sustainable development. Digital project teams (Liu et al., 2023) are facing challenges in improving performance in the interactive era of the knowledge economy and digital technologies.

Effective management of project stakeholders in terms of cost, time, and quality, as emphasized by Khalilzadeh et al. (2021), is crucial. Balancing stakeholder interests with project objectives is crucial for resolving conflicts (Bahadorestani et al., 2020). Stakeholder management aids project managers in selecting strategies to maximize project value.

The agile nature of project teams must align with the growing needs of a sustainable project economy. Organizations undergo changes ranging from minor adjustments to internal processes to complete structure and business strategy revisions. Project teams consist of individuals with diverse skills, knowledge, and experiences selected according to project needs, including a project manager, team members, sponsors, and users. Project teams should have individuals in various roles, such as Isaac Adizes’ Roles (Andonovic et al., 2014, p. 6): producer, administrator, entrepreneur, and integrator. No one in project teams can fulfill all roles. The fundamental elements of a project include an excellent manager, a good team, effective work organization, and quality communication (Šimović & Varga, 2011).

This study formulates two hypotheses based on the literature review:

**Hypothesis One:** The success of projects in the project sustainable economy depends on better-improved communication and relationships among team members, satisfying team characteristics such as decision time, team dynamics, acceptance of proposed methods, defined plans, quality of relationships, successful project managers, and constructive conflict resolution.
Hypothesis Two: There is a statistically significant difference in respondents’ opinions regarding their position in the project team on the impact of communication and relationships among team members on the project’s success in the project sustainable economy.

3. METHODOLOGY

The main goal of this study is to investigate the communication and relationship factors within project teams and whether they have a crucial impact on the success of sustainable business projects. The empirical research was conducted on 102 members of project teams with an online survey from August to November 2023.

The questionnaire consisted of two parts. The first part of the questionnaire included general questions related to the respondents, the company, the activities, the company’s ownership and the respondent’s position within the organization, and other general questions. In the second part, the respondents evaluated the success of the project implementation through the main characteristics of the project team, with ratings from the offered options on the Likert scale: 1 - do not agree at all, 2 - do not agree, 3 - neither agree nor disagree, 4 - agree and 5 - completely agree.

The hypotheses tested by the Kruskal Wallis Test for H1 and Correlation for H2 between the positions in the team of respondents and communication and relationships of team members in the SPSS program. From 102 respondents, internal project team members participated 67.6%, project managers 26.6% and external team members 11.8%. 56.9% of respondents were men, and 43.1% were women. In the sample, 57% of the respondents are in the age group of 36-55 years, 28% are in the age group of 18-35 years, and 15% are in the age group older than 55 years. Regarding years of service, the largest group (63.7%) consists of respondents with 10-35 years of work experience, 30.4% of respondents with less than ten years of experience, and 5.9% of respondents with more than 35 years of work experience.

Communication and relationships of team members serve as the primary grouping variable in Kruskal Wallis Test. Communication and relationships of team members is average of four variables such as: project team relationship, project team responsibilities (both common and individual), respect of differences among project team members and the significance of open communication in project team members.

Table 1 presents the descriptive statistics for the main variable, communication, and relationships. The average score for Communication and relationships is 3.67. Notably, respondents assigned the highest score, 4.01, to the respect of differences among project team members. On the other hand, the lowest score of 3.5 was attributed to project team relationships.

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Range</th>
<th>Min.</th>
<th>Max</th>
<th>Sum</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>T. Relationship</td>
<td>102</td>
<td>4.00</td>
<td>1.00</td>
<td>5.00</td>
<td>357.00</td>
<td>3.50</td>
<td>.12207</td>
</tr>
<tr>
<td>T. Responsibilities</td>
<td>102</td>
<td>3.00</td>
<td>2.00</td>
<td>5.00</td>
<td>361.00</td>
<td>3.54</td>
<td>.07461</td>
</tr>
<tr>
<td>Team Differences</td>
<td>102</td>
<td>3.00</td>
<td>2.00</td>
<td>5.00</td>
<td>409.00</td>
<td>4.01</td>
<td>.08975</td>
</tr>
<tr>
<td>Open comm.</td>
<td>102</td>
<td>3.00</td>
<td>2.00</td>
<td>5.00</td>
<td>372.00</td>
<td>3.65</td>
<td>.09818</td>
</tr>
<tr>
<td>Communication and relations</td>
<td>102</td>
<td>2.50</td>
<td>2.50</td>
<td>5.00</td>
<td>374.75</td>
<td>3.67</td>
<td>.05785</td>
</tr>
</tbody>
</table>

Source: Own calculations
Table 2. Descriptive statistics of the tested variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>25th</th>
<th>50th</th>
<th>75th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decisions time</td>
<td>3.59</td>
<td>1.229</td>
<td>2.75</td>
<td>4.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Teams’ dynamics</td>
<td>3.72</td>
<td>1.238</td>
<td>3.00</td>
<td>4.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Acceptance of proposed method</td>
<td>4.16</td>
<td>1.158</td>
<td>3.25</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Defined plan</td>
<td>4.36</td>
<td>1.124</td>
<td>4.00</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Quality of relationships</td>
<td>4.16</td>
<td>0.962</td>
<td>4.00</td>
<td>4.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Successful project managers</td>
<td>4.16</td>
<td>0.829</td>
<td>3.00</td>
<td>4.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Constructive conflict resolution</td>
<td>4.17</td>
<td>0.924</td>
<td>4.00</td>
<td>4.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Communication and relationships of team members</td>
<td>3.67</td>
<td>0.584</td>
<td>3.25</td>
<td>3.75</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Source: Own calculations

Descriptive statistics of the tested variables are presented in Table 2. Variables in Table 2 indicate the following statements: (i) decision time - within the team, decisions are made on time (ii) teams’ dynamics - Dynamics within the team have a positive effect on the work of the team, (iii) acceptance of proposed method - The project team members accept the proposed methods for teamwork, (iv) defined plan - A clearly defined execution plan affects the success of the project, (v) quality of relationships - Good relations in the project team have a positive effect on the success of the project, (vi) Successful project managers - A successful project manager is essential, (vii) Constructive conflict resolution - Constructive resolution of conflicts is necessary. The highest score was 4.36 for a well-defined projects plan, and the lowest was 3.59 for decision time.

4. RESEARCH RESULTS AND DISCUSSION

From a financial perspective, the Republic of Croatia will have access to nearly €25 billion from 2021 to 2027. These funds, sourced from various EU programs, enable the financing and initiation of numerous projects in renewable energy sources, energy efficiency, nature conservation, recycling, and other various ecologically sustainable initiatives.

Communication and relationships within project teams are crucial for project success, and this aspect is precisely the focus of this research segment.

A non-parametric Kruskal-Wallis H-test was used to compare multiple independent data groups based on an ordinal scale. Cronbach’s Alpha is greater than 0.8 for all variables, signifying excellent reliability of the sample results. Given that the conditions for parametric tests were not met (due to non-normality of data distribution), the non-parametric Kruskal-Wallis (H-test) was used to test the set hypothesis. Results of the Kruskal-Wallis H test indicate a significance level of less than 0.01 for the variables: decision time, team dynamics, acceptance of proposed methods, defined plan, quality of relationships, successful project managers, and constructive conflict resolution (sig = 0.000).

Table 3. Kruskal Wallis Test

<table>
<thead>
<tr>
<th>Test Statistics**</th>
<th>Decisions time</th>
<th>Team dynamic</th>
<th>Accep. Pr. methods</th>
<th>Defined plan</th>
<th>Quality of relationships</th>
<th>Successful PM</th>
<th>Constructive conflict resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>38.103</td>
<td>34.794</td>
<td>37.762</td>
<td>39.997</td>
<td>41.055</td>
<td>38.779</td>
<td>52.186</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note: a. Kruskal Wallis Test. b. Grouping Variable: Communications and relationships of team members

Source: Own calculations
According to the Kruskal-Wallis H test, the alternative hypothesis is accepted. According to the results of the analysis, hypothesis One: The success of projects in the project sustainable economy depends on better-improved communication and relationships among team members, satisfying team characteristics such as decision time, team dynamics, acceptance of proposed methods, defined plans, quality of relationships, successful project managers, and constructive conflict resolution is accepted.

Table 4 presents the Chi-Square Test of the second hypothesis.

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>51.633</td>
<td>18</td>
<td>.000</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>102</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a. 24 cells (80.0%) have expected count of less than 5. The minimum expected count is .35.

Source: Own calculations

There is a statistically significant difference ($\chi^2 (18) = 51.633, p = .000$) in the opinions of respondents in different positions regarding the impact of project team communication and relationships on the success of the project (table 4).

Table 5. Crosstab position and communication and relationships

<table>
<thead>
<tr>
<th></th>
<th>Communication and relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>POSITION</td>
<td></td>
</tr>
<tr>
<td>INTERNAL MEMBER</td>
<td>0.0%</td>
</tr>
<tr>
<td>EXTERNAL MEMBER</td>
<td>0.0%</td>
</tr>
<tr>
<td>PROJECT MANAGER</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Own calculations

Among internal team members (Table 5), 56.5% rated communication and relationships with a score of 3, while 30.5% assigned the highest rating of 4. In contrast, for external members 25% gave the highest mark of 5, and 50% rated it as 4. Project managers gave 57.1% a score of 3, and 42.9% rated it as 4 regarding the impact of communication and relationships among team members.

According to the results of the analysis, Hypothesis Two which states that There is a statistically significant difference in respondents’ opinions regarding their position in the project team on the impact of communication and relationships among team members on the project’s success in the project sustainable economy, is accepted.

The significance of a strong leader is emphasized as more critical than the pleasurable emotional state of job satisfaction (Castro et al., 2022). Trust is a crucial factor influencing project performance, both within the team and for project managers.

The factors influencing communication and relationships explored in this paper include decision time, team dynamics, acceptance of proposed methods, a defined plan, and quality of relationships. These factors are confirmed by Juras’s research (2019) involving 83 project team members.

The factors influencing communication and relationships researched in this paper include decision time, team dynamics, acceptance of proposed methods, defined plan, quality of relationships, successful project managers, and constructive conflict resolution.
Research further affirms the importance of project management, as indicated in the study by Castro et al., (2022) on a sample of 101 project professionals, highlighting the significant impact of project managers’ emotional intelligence and their team members’ trust in project success.

The examined factors, such as decision time, team dynamics, acceptance of proposed methods, a defined plan, and quality of relationships are again confirmed in Juras’s research (Juras, 2019) on 83 project team members. Project team dynamics, characterized by strong goal orientation and highly efficient decision-making (Juras, 2019, p. 279) play a significant and boosting role in positively affecting project success.

The research not only confirms that communication and relationships within the team facilitate better collaboration, communication, and mutual understanding among team members, but also impact the improvement of innovation, motivation, and conflict-resolution abilities. This confirmation is found in Fung’s study (2013, p. 147-148) with a sample of 201 project team members, where team trust directly predicts project performance and effectiveness. Project complexity, impacting project success, and team performance requires mitigation strategies to overcome project failure (Shafique et al., 2023), as confirmed by 420 respondents. Consequently, constructive conflict resolution is deemed necessary.

Project managers must possess the ability to motivate their team, stimulate cooperation between team members, encourage knowledge transfer, and promote open discussion of problems and conflict resolution to enhance project results (Capaldo et al., 2021).

However, overall, research confirms that good communication and relationships within a project team have a positive impact on project success.

5. FUTURE RESEARCH DIRECTIONS

The global economy has struggled to address the challenges of climate change, artificial intelligence, and unfavorable demographic trends. The first proposal for further research is to specialize in investigating factors that can accelerate the successful implementation of sustainable development projects. The second proposition for future research involves expanding the research sample, not only in Croatia but also in other EU countries.

Managing the risk of sustainable projects requires long-term solutions, as it increases business uncertainty and demands constant adaptation to change.

6. CONCLUSION

Understanding project management and studying different approaches and methodologies are essential for a sustainable project economy. The paper defines priorities, explores challenges in forming project teams and analyses how communication and relationships within project teams impact project success.

The study confirmed that communication and relationships significantly impact the success of Project Sustainable Economy. The research identifies success-contributing factors, including a clearly defined plan, decision time, team dynamics, acceptance of proposed working methods, assigned individual and collective responsibilities of project team members, optimal
communication in the project, the role of a constructive approach to solving potential problems, and management of resources and project risks. In a project sustainable economy, successful project management enables organizations to navigate necessary changes and seek opportunities for sustainable, socially, and environmentally efficient management of global resources. The goals of all project stakeholders must be considered because what one group or individual perceives as success may be considered a failure by others, and vice versa.

This research can contribute primarily to project managers and team members, but also to all other project participants, as they all play a crucial role in achieving the goals and success of sustainable projects. The main limitation of this study is the small and country-limited sample.

A project sustainable economy helps to overcome existing uncertainties and efficiently manage risks in all economic and social aspects. This is achieved thanks to the skills and abilities of project teams using utilizing various project management knowledge areas to fulfil project goals.

Acknowledgment

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