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TOOLS FOR LABOR COST ESTIMATION IN INTERNATIONAL PROJECT TEAMS

Abstract:

Labor cost estimation is crucial for the success of international projects, ensuring that financial resources are effectively allocated and managed across different teams and locations. In projects with international collaboration, labor costs can vary widely due to differences in wage levels, regional economic conditions, labor regulations, and cultural expectations around work hours and productivity. Consequently, the tools used for estimating labor costs in such projects must be versatile and capable of addressing these complexities. For international project teams, effective labor cost estimation tools must account for several factors, such as geographic wage disparities, which are influenced by cost of living, tax policies, and local labor market conditions. Additionally, the impact of currency exchange rates needs to be incorporated, as teams across various countries may be paid in different currencies. Therefore, the estimation process must include mechanisms for real-time currency tracking and projections to ensure accurate cost adjustments over time. Cultural differences and work norms also play a role in the accuracy of labor cost estimates. Disparities in work ethics, skill availability, and labor productivity across regions can influence the time and cost required to complete tasks. Thus, labor cost estimation tools must provide flexibility to address these intangible but important factors. This paper examines the key tools and methodologies necessary for labor cost estimation in international project teams. It emphasizes the importance of utilizing advanced estimation tools to help project managers produce more accurate and reliable cost estimates, ultimately leading to better resource management, risk reduction, and project success. The objective of this research is to explore the tools and methodologies used for labor cost estimation in international projects, focusing on their effectiveness in managing the complexities of cross-border collaborations. The research aims to identify how these tools can be improved and adapted to better address the unique challenges of international teams. The research methodology involves conducting interviews with project managers who have experience in managing international projects. These interviews will provide insights into the practical challenges they face in labor cost estimation and how current tools and techniques are applied in real-world scenarios. The findings will help inform the development of more effective and flexible labor cost estimation tools tailored for international projects.

Keywords:

Labor Cost Estimation; International Projects; Estimation Tools in Project Management; Real-time Tracking; Cost Allocation

JEL Classification: F23, J31, D24