

Engineering Synergy: The Role of Context and Prompt Design in AI-Enhanced Project Management¹

by **Massimo Pirozzi**

ABSTRACT

Artificial Intelligence (AI) is being used more in project management practice, but its adoption is narrowly focused in prompt engineering — the skill of creating good inputs to large language models and other AI systems. Prompt engineering is fundamental but cannot by itself realize the potential of AI in the complex project environment. This article presents and investigates the complementary field of context engineering — conscious planning and designing of data, parameters, rules, and constraints under which AI works. Through the investigation of both concepts and the demonstration of their synergy, the article illustrates how project managers can obtain more precise, relevant, and value-driven AI results. Practical models, practical applications within the real world, and mitigation strategies are discussed, in addition to a look-ahead discussion of context-aware and autonomous AI agents. It is the intention to provide project professionals with practical advice on how to apply context and prompt design to optimize decision-making, enhance stakeholder communication, and achieve optimal project performance in the AI-enhanced era.

INTRODUCTION

In the recent years, Artificial Intelligence (AI) has transitioned from trial experimentation to systematic adoption in project management (PM). Initial exploration—usually confined to automating processes or simple results—has progressed to formalized approaches that facilitate planning, risk evaluation, communication with stakeholders, and decision-making. As corporations start to depend on AI for key project activities, the argument is transferring away from "Can AI help?" To "how do we bring out its maximum value with reliability, precision, and compliance with our project goals?"

AI technologies more and more become part of project management workstreams, changing the way projects are planned, delivered, and controlled. Similarly, training organizations focus on the development of AI capabilities, with prompt design being an essential skill for project professionals. **Prompt engineering** – the ability to write well-crafted prompts or instructions for an AI – has become front and center as practitioners understand that "*AI output is only as good as the question and instruction posed* (Institute Project Management, 2025)". PMI has defined prompt engineering as "the process of interacting with an AI...in order to get the best possible and most suitable response," where project managers author, test, and iterate prompts to direct AI models to produce

¹ How to cite this paper: Pirozzi, M, (2025). Engineering Synergy: The Role of Context and Prompt Design in AI-Enhanced Project Management; *PM World Journal*, Vol. XIV, Issue IX, September.

hoped-for outputs (Project Management Institute, 2023). Having expertise in prompt techniques has been heralded as a fresh source of competitive edge in business. However, concentrating on prompts only solves half the issue.

Seasoned project managers understand that context is the most important element in complex projects – AI must "know" the environment, limitations, and information of the project so it can offer really useful insights. Requesting an answer from an AI simply without providing context related to the project typically yields generic or meaningless answers, particularly in intricate project settings where precision and sensitivity to context are needed. Context engineering takes center stage here. **Context engineering** is the intentional structuring and design of the information environment in which AI works, i.e., data inputs, constraints, goals, and organizational parameters. Through proper engineering of context, AI systems are able to perform with a richer sense of the problem space, and this contributes immensely to improving the quality and relevance of their output. Context engineering is the deliberate act of choosing and presenting the appropriate background information, data, and parameters to place the reasoning of the AI. It essentially means making sure the AI receives all the information it needs about the context of the project prior to it trying to help. Recent argument has it that the bulk of AI agent failure is not caused by less competent models but by "context failures" – the AI was not provided the right information or tools to succeed (Schmid, 2025).

Particularly with the advent of AI agents (which can carry out multi-step procedures on their own), it is really the "quality of the context we give it" that is being held responsible for success (Schmid, 2025). In project environments with many stakeholders, technical specifics, and historical nuances, giving this context is imperative. The central argument of this paper is that **the synergy between prompt engineering and context engineering is being held responsible for realizing the ultimate potential of AI in project management**. Through integration of these two approaches, project managers are able to create workflows supported by AI that are more accurate, standardized, and aligned with project objectives as well as organizational standards. In the subsequent pages, we formalize prompt engineering and context engineering and highlight why their integration is so vital for AI-aided project management. We suggest an in-the-field model for integrating these methodologies, and explore applications from project planning to stakeholder messaging where prompt–context harmony is delivering tangible payoffs. We mention challenges – including data quality, preventing AI mistakes, and preserving sensitive project information – and how to reduce them.

Ultimately, there is **the future**, including the emergence of context-sensitive autonomous AI agents that will go on to reshape project management further. By bearing in mind and taking advantage of the union of prompt and context design, project practitioners can transcend individual AI tricks and instead make progress toward a firm, disciplined adoption of AI that enhances project outcomes (Barcaui & Monat, 2023).

DEFINING THE CONCEPTS: PROMPT ENGINEERING AND CONTEXT ENGINEERING

Prompt engineering is the art and science of making effective inputs or instructions that help AI systems, especially Large Language Models (LLMs), make outputs that are accurate, useful, and relevant. A prompt is the text (or other input) that a person offers to an AI model. Prompt engineering is the process of producing a text that makes it obvious what the model is supposed to do. A project manager who is good in prompt engineering would say, "Create a detailed, five-phase project implementation plan for a software development project using the predictive approach. Add timelines, risk analysis, and resource predictions ", instead of just asking for "Create a plan." The prompt's level of detail, which makes the scope, approach, and desired output format apparent, helps the AI come up with a solution that is far more useful. The most important part of prompt engineering is asking the appropriate question in the right way. This means using the right words, providing relevant details, and occasionally splitting the prompt up into phases or parts to help the AI "think" (*chain-of-thoughts*). To help the AI focus, good prompts generally include context in a simple way, including naming the type of project, the time range, the industry, or the specific problem. They might also say how the answer should look or sound, like "summarize in bullet points" or "respond in a formal tone appropriate for an executive brief." In general, good prompting helps project managers get better reports, find hazards faster, and automate processes intelligently by getting the right outputs on the first tries (Institute Project Management, 2025). So, prompt engineering is an important ability for turning a project manager's inquiry or aim into one that the AI can comprehend and answer. One of the best things about prompt engineering is that it can change how AI responds in real time. *But it doesn't work very well on its own without a clear context.* It's true that prompts that don't have domain-specific limits, supporting information, or clear goals might give us general, incomplete, or even wrong answers. In other words, prompt engineering without context is like giving someone who doesn't know anything about the environment they're working in very precise directions.

Context engineering is a more modern but just as significant idea that goes beyond the prompt itself. "Context engineering" is the process of making systems that choose what information an AI model sees before it gives an answer. In brief, it means choosing and giving the AI the contextual information it needs in addition to the command. One way to define it is "the art of making and building dynamic systems that give an LLM everything it needs to do a task at the right time, in the right format, and with the right tools" (Schmid, 2025). Context engineering is the process of preparing and structuring the environment in which AI works so that the system can have the right, correct, and properly formatted data before it makes a decision. Context engineering doesn't use a single static prompt. Instead, it sees the input to an AI as a rich set of ingredients, which includes:

- **Data:** Project documents, reference materials, and performance measures that are relevant and have been checked.

- **Roles:** Making an AI "persona" to help it figure out how to accomplish things, such a risk analyst or project planner.
- **Limitations:** budgets, time constraints, contract duties, and legal requirements.
- **Goals:** Clearly stating the project's top priorities and what it means to be successful.
- **The culture, governance frameworks, and ways of making decisions in the organization.**

In this scenario, context usually means everything the model "sees" before it makes an output. Therefore, in project management, "context" might mean the project charter, schedule data, risk registers, minutes from previous meetings, organizational policies, and any other information that is important to the job at hand. What prior information does the AI need right now to answer my inquiry correctly, asks context engineering? When asking for a task breakdown, the AI could be given tools (like a scheduling calculator or knowledge base), specific information (like a short excerpt from a requirements document), or kept up to date between conversations (like reminding the AI of previous decisions or updates during a long project discussion). Context engineering typically necessitates the dynamic assembly of information. We can create or get context whenever we need it, unlike a one-time prompt. The system might, for example, get the necessary policy documents for one question and give a recap of yesterday's team meeting for another (DataCamp, 2023). It would always be focused on *"just the right information for the next step."*

So, **context engineering is more about designing a system than writing**. It includes things like noise reduction, retrieval (searching a corpus for relevant material), arranging context into structured data or short summaries, and updating context as the project goes along. We might also set up an AI agent for project governance by preloading project charters, risk management frameworks, organizational policies, and templates. It could also mean making clear how the agent should talk to different groups of stakeholders. The AI can use this controlled environment to make outputs that are both technically correct and in line with the business's needs when given a prompt.

Prompt and context engineering are two different concepts, yet they work well together. To put it simply, prompt engineering is about making instructions for one job, while context engineering is about keeping track of information across activities or across time (DataCamp, 2023). It is important to note that context engineering does not replace the necessity for well-thought-out cues; it adds to them. In most real-world AI applications, the two methods will be used together. We still need to provide the AI a clear question or instruction about what to do with the data, even if we have a complex context pipeline that gives it all the essential project data. "We still need well-written prompts in our context engineering system," as the DataCamp book puts it (DataCamp, 2023). The difference is that those prompts are now working with a lot more background knowledge instead of "starting fresh each time" from scratch. Context engineering and prompt engineering are

two sides of the same coin. The former is about how to inquire, while the latter is about what the AI should already know. When properly integrated, they let AI systems not only understand the words in a question but also respond in a way that makes sense in the context of the inquiry. *Providing context and designing prompts ultimately lead to AI outputs that are more accurate and useful.*

WHY SYNERGY MATTERS IN AI-ENHANCED PROJECT MANAGEMENT

We need to employ well-thought-out questions and a well-prepared setup to acquire accurate, usable, and actionable answers from AI systems in project management. Context engineering and prompt engineering do not compete with each other; they work together. The prompt gives the setting, and the context gives the scene. To get the most out of AI in project management, we can't merely ask a bot for answers. We need to find the correct balance between prompt and context engineering in order to be helpful in tough situations. It's crucial for prompts and context to work together because project management activities depend a lot on the context, and the quality of AI's input depends on both *what we ask and what information it has access to*. When done well, this **synergy** (Fig. 1) makes projects work better, makes communication clearer, and helps people make better decisions.

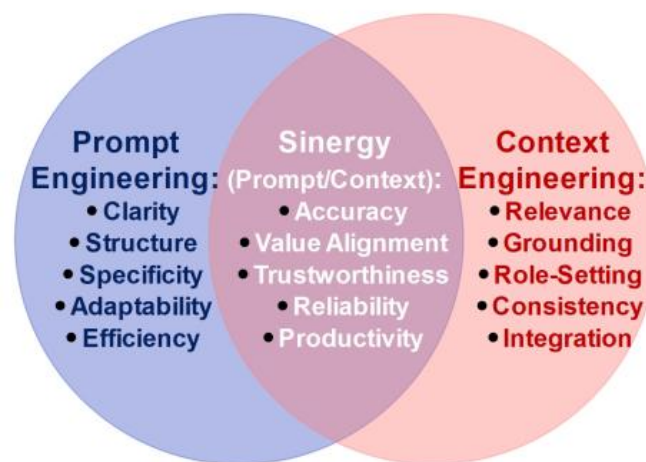


Figure 1 – The Sinergy between Prompt Engineering and Context Engineering

Making better choices with useful information: AI is widely used by project managers to look at data and make decisions about things like what will happen with a project, what scheduling options are best, and what the risks are. If we only use prompt engineering, like asking "*What are the risks in this project?*" without giving any background, the AI will come up with general risk factors based on what it has learned. That kind of answer can talk about general problems (like scope creep and budget overruns) but not reveal any specifics regarding the project. We can offer the AI information about the project, such its risk register or a description of its scope and environment. Then we can ask it questions like, "*What new risks do we see based on the project details above, and what*

do we think will happen as a result?" The report might name a specific stakeholder or dependency for a project instead of just giving a list, which shows that it understands the situation. In real life, this implies more support in making choices. Managers get real options and analysis that indicate how their projects are doing so they can make better choices. A recent comparative study highlighted this complementary strength: Human project managers had a lot of experience and could make more complex decisions, but GPT was especially good at tasks that needed *data*, such as figuring out expenses and establishing orderly schedules (Barcaui & Monat, 2013). The study found that AI can help with planning projects by making things more organized and efficient, but people still need to be able to think critically and understand the situation. We can combine the two by using **prompt-context synergy**, which implies adding human context (facts, limitations, and subject expertise) to the AI's process through context engineering and asking the AI precise, focused questions through prompt engineering. This enables us take advantage of AI's strengths while yet making it real. Instead of vague advice, this gives project managers outputs that they can trust and apply. Researchers claim that prompt engineering, which is when individuals enhance AI questions, is important for AI to be useful in planning. They also stress that the best way to acquire reliable results is to integrate people and AI contributions.

Better communication and getting stakeholders involved: AI can help with project management by creating drafts of emails, reports, and summaries, but only if it knows who the audience is and what the scenario is. A prompt by itself might generate a report that is grammatically correct, but when we add context, it makes a report that is helpful. For instance, if we tell an AI to *"write a weekly status update,"* it might only provide we a brief report in a standard format. If we give the project manager some background information, like the project's most important accomplishments, problems, and upcoming tasks from the project tracking system, and then tell them to *"write a one-page weekly status update for the client in a concise bullet-point format, highlighting any schedule slippage and mitigation actions,"* they will be able to send a targeted status report with little editing. The prompt makes sure that the AI talks clearly (in brief, client-focused, and action-oriented ways), and the context makes sure that it knows what has transpired in the project this week. Project managers that have begun utilizing AI for reporting assert that it significantly conserves time, such as by autonomously generating meeting minutes or status bullet points. But they also underline how vital it is to give the AI the appropriate inputs (Project Management Institute, 2025). One person in the PMI community claimed that when they tried out an AI tool, *"it worked well to make bullet points for a Project Management Community of Practice meeting... [by] searching through PMI's treasure trove of articles."* This means that the AI could make useful, short outputs if it had a lot of information to work with (context). The synergy basically helps people converse to each other faster without missing anything. AI can swiftly turn raw project data into well-written narrative or summaries. The outputs are correct and useful for stakeholders' demands since they were given context.

Another thing is to make the messages diverse for each set of stakeholders. We could tell a prompt-engineered AI to *"explain the project status in simple terms,"* which would help with tone. But a context-engineered method may also tell the AI what's going on right now and give it a profile of the stakeholder. For example, the recipient could be a technical team lead who requires specifics or a sponsor who is interested in high-level consequences. *"Using the project status data above, write a formal email to the CFO (project sponsor) with an update on the budget and timeline."* The background information about their job and the budget amounts they were provided will definitely assist the output deal with the CFO's key problems in a good way. AI can only customize on a big scale if it knows the context of the stakeholders and has a defined goal for the message. This illustrates that synergy makes stakeholders more interested because the messages are clear and go to the correct individuals.

Making initiatives run more smoothly and effectively: Adding AI to project management is mostly about making projects more productive and improving time, cost, and quality indicators. Using prompt and context engineering together has a direct effect on this because it speeds up the process of getting knowledge and making things better. Think about how long it may take a project manager to prepare the initial draft of a risk assessment or put together information for a status report by hand. The AI can do those things faster if we give it the correct information and instructions. A project manager can tell an AI model to *"make a dashboard summary that shows any schedule changes and their causes"* by giving it the most up-to-date information about tasks that have been finished and problems that have been reported (context). The AI could give useful information like *"Task X is 2 weeks behind (according to the data), which affects Milestone Y; the delay was caused by vendor late delivery (as noted in Issue #5),"* which would save the manager from having to look through Gantt charts and issue logs by hand. When we combine prompt (which tells the model to find differences and explain them), we have a technology that makes things work better when we give it context (the actual project data).

Synergy is also useful for making daily tasks easier to do. AI can handle a lot of administrative or scheduling chores, such keeping track of meeting schedules, updating project calendars, and letting team members know when things are happening. But it has to know the trigger conditions (via prompt logic) and the current state of the project (context). For example, we could make an AI bot that watches for updates on tasks (this is called "context" in a project management system). If the person who was assigned the task doesn't meet the deadline, the agent automatically sends them a courteous reminder email using a template. The live project data is the setting, and the prompt template tells the agent how to issue the reminder in this scenario. This type of **smart automation is more advanced** than simple rule-based alerts since the AI might create the message in a more delicate way and even include the precise specifics of the task or a relevant company rule (if those are part of its context). The process of managing a project is now more proactive and responsive. The project manager gets aid with small updates and notifications from a "second set of hands," and problems are detected and fixed early on.

PMI's recent research on the subject (Project Management Institute, 2025) argues that generative AI can "significantly boost productivity and enhance key performance metrics" in projects when employed prudently. But for these benefits to happen, the AI's output has to be very close to what the project needs. The cue and context work together to make the alignment happen. "*Garbage in, garbage out*" is a well-known proverb in computers, and it applies here: if we don't give the AI adequate context or ask it bad questions, we'll get bad results. On the other hand, *quality in, quality out*—rich context and focused ideas lead to high-quality outputs that can directly improve project results. Project teams save time because they don't have to go back and forth as often to make AI outputs better (since AI outputs are more likely to be right the first time). AI analysis that uses real project data can help teams uncover risks that generic assessments would overlook and make fewer mistakes. Automating boring data processing and communications can provide people more time to work on big-picture tasks. All of these things make projects go better, stay on track and on budget, and have fewer surprises.

It's also important to remember that **synergy makes the problems that would usually make AI hard to use less of a problem**. A prompt-only strategy may lead to AI hallucinations or outputs that don't make sense when the model tries to fill in the blanks with its own training estimations. A context-only strategy, which is giving out data without specific instructions, could make people talk too much without really knowing what they want to say. But when utilized together, context-based and explicit suggestions help the AI create outputs that are correct and make sense. This is why the synergy leads to better results and less mistakes and misunderstandings, which makes people surer of operations that incorporate AI (MIT Sloan, 2023). Stakeholders in a project are more likely to embrace AI insights when they think they are based on project data and are easy to understand. In conclusion, **synergy** is important because it **turns AI from a new technology into a dependable project management partner**. "*AI is not a threat to project managers; it's a powerful tool that can amplify their capabilities,*" observed one practitioner (Curlee, 2024). This is only true if AI is employed the right way. Prompt and context engineering give AI the "*muscle*" it needs to genuinely help with project management instead of just making noise. In the next section, we'll show we how to make this synergy happen in daily project work. This will help make sure that AI's incredible potential is built on real-world projects and the finest practices in the area. As the project work gets harder, the need for strong teamwork develops. We can often execute simple activities totally automatically or with simple prompts, such "summarize these minutes." But when humans do things that are unclear, vague, or require strategic thought, AI needs to be properly guided with the right context and suggestions, and its results need to be paired with what people know. In these situations, AI should be used to support people, not to replace them.

This **augmentation** works best when prompt engineering and context engineering are utilized simultaneously. This is because AI is good at speed and data processing but not so good at natural context or judgment. The next part tells project managers how to do this. Context engineering is like authoring a detailed project charter, while prompt

engineering is like giving the project crew clear, feasible instructions. The charter is a document that doesn't change and doesn't tell us what to do. Without the charter, orders might not be based on a strategy. When employed together, they let AI systems and human teams work together to create judgments that are planned, well-informed, and coordinated.

PRACTICAL FRAMEWORK FOR SYNERGY

We deconstruct the ostensibly abstract combination of context and prompt engineering into a practical workflow or framework. This framework aims to assist project managers in methodically applying prompt design and context to any AI-driven task. It can be viewed as a cycle consisting of the following steps: **identify, establish context, develop a prompt, execute and refine, validate, and acquire knowledge**. Below is a description of each step (Fig. 2), along with advice and best practices based on industry recommendations and experiences.



Figure 2 – Practical Framework for Synergy between Prompt Engineering and Context Engineering

Step 1 - Identify: Define the Objective and Task. Begin by outlining our goals for the AI and its benefits. Is the project plan being drafted? Providing an overview of the meeting? Evaluating a risk? When the task at hand is well defined, it is simpler to identify the kind of prompt and the necessary context. Additionally, think about the target audience (if any) and the output format (e.g., a table, a list of points, or a paragraph explanation). For instance, if the objective is to "summarize a design review meeting for the technical team," defining this at the outset informs the prompt wording and the context to include. A list of technical decisions and action items with bullets should probably be the final product. Generally speaking, creating an effective prompt and pertinent context is made simpler with a more defined goal. While general objectives like "help with project" will result in random AI responses, specific objectives like "identify any scheduling conflicts in next month's plan" can be addressed with the right prompts and context.

Step 2 – Establish Context: Assemble Everything and Prepare the Background. Find out what data the AI requires to finish the task. "What information would a person use to do this?" "For example, when AI makes a project charter, the stakeholder list, business case, and first specifications could all be examples of relevant context. AI might look at the risk register or problems from similar projects in the past to figure out what the risks are for a project. Once we find the source materials, put them all together. This could involve getting data out of a project management platform, copying text from documents, or getting information out of an organizational wiki. Because the raw materials are so

long, they are generally not used as they are. Instead, context engineering may involve arranging or shortening the data. When necessary, best practices include summarizing long documents (like giving a short overview of last month's progress instead of full logs), pulling out important parameters (like "budget = \$500k, deadline = Dec 1" as context facts), and formatting data in AI-friendly ways (like simple bullet points, JSON, or tables) to make sure everything is clear. The goal is to keep the AI from missing facts or adding noise by giving it clear, relevant, and well-chosen context. The context can be prepared with the aid of modern techniques, such as **Retrieval-Augmented Generation (RAG)**, a popular technique that adds the most useful information for a query to the context window after obtaining it from a vector database or search tool (DataCamp, 2023). For example, an AI can automatically identify the most relevant "risk mitigation" phrases from a project wiki to answer a question about risk; these systems demonstrate the operation of context engineering by allowing the AI to choose what it "sees" on its own; if we do not have access to these tools, we can still use a manual approach, but we will need to be careful about which contexts we choose. For instance, if we ask the AI to write a message about a delay, we might state, "Clients must be told about delays at least 3 days in advance."

Step 3: Develop the Prompt. We now compose the prompt that the AI will get, usually with the context. An excellent cue is straightforward, unambiguous, and short. We should inform the AI what kind of output we want, what style or format we like, and what situation we're thinking about. Based on best practices, here are some important things to think about: **Clearly say what we want to do:** Use action verbs and nouns that don't leave much room for interpretation. Instead of saying "analyze this," say "find the three biggest schedule risks in the plan we were given." - **Use the context:** As is usual with many AI interfaces, be sure to clearly refer to any data we provided above the prompt. For instance, the model is told to base its answer on this information: "Use the project data (milestones and current progress) to guess if the project will meet its deadline." - **Tell the model what kind of output we want**, such as a list, email draft, timetable, etc. For instance, "Write a one-paragraph email" or "Give the answer as a table with columns Date, Task, Risk." These methods cut down on the need to guess and make changes later. If we like, we can **give the AI a role**, such "We are an assistant project manager."

This can occasionally get the AI ready. It can change style (for example, more formal vs. casual), but it's not always essential. The tone of voice we use while talking to stakeholders can be quite important. It should be welcoming rather than executive. - **Give examples (few-shot prompting):** If the work is hard or the format is different, we can give a fast sample. For example, we may say, "Here is an example of the output format I want for a different project." This is an example of the AI, which has been shown to make output more consistent. - **Include any phases that are needed in the reasoning process:** For example, if the AI is doing a complicated math problem or logical analysis, we might want it to present its work or think about each step. *Chain-of-thought* prompting is a method that asks the AI to first explain why it did something or to answer in a clear way. This can make things more accurate and clearer when the duties are hard. For

example, "List relevant facts from the context first, then draw a conclusion." But this might not be necessary for basic outputs, so only apply it when we think the AI would need to make important conclusions.

When these things come together, our prompt turns into a **whole set of instructions** that, when combined with the context, thoroughly explains the task for the AI. For example, the task is to automate a project status report. Context acquired: enumeration of concerns and recent scheduling updates. *"We are a project control assistant. Using the information above (project progress and open issues), give a summary of the project's current state. Watch out for any changes to the timetable or problems that need to be fixed right away. Give five to seven bullet points that are easy to read and understand for the project status meeting. If we miss a milestone, explain why it happened and what we should do next"*. This is a good example of a well-written prompt: there is very little potential of misunderstanding because this prompt explains the AI what its job is, what data to use, what analysis to do (schedule variation, highlight delays), what structure to use (five to seven bullet points), and even to make sure that accountability is stated for delays. If the right context information is given, this kind of prompt should lead to a high-quality draft that the PM can use right away or make modest modifications to, which will save a lot of time.

Step 4 – Execute and Refine: Do It and Make It Better (again). After making the question and giving the AI the context, run the query and look at what it comes up with. The first output is not always ideal. Iterative procedures are very important to prompt engineering. Asking questions like: Did the answer match the rules and format? Is the context being used correctly, with no parts missing or misunderstood? Is the tone and the information correct? If not, try again after we improve the prompt or the situation. If the AI didn't seem to have enough information, one way to improve it would be to add or change the context. If it said "team bandwidth" was a general risk but we knew that supplier delay was a specific danger, we could want to add the supplier contract information in the next round. This would provide the prompt more information. If the output was too long or too short, tell them how long we want it to be, like "limit to one paragraph" or "give more details on X." If it wasn't good enough (for example, if it didn't answer a part of the question), make sure to say that aspect of the request clearly. - asking more questions. Some AI interactions let people talk to each other over several turns. We can urge the AI to change its last answer in one of two ways: *"Now make it shorter"* or *"Please add a section on stakeholder impact that was missing."* This is typically easier than redoing the whole question. We might run it again after clarifying or fixing the context if the output had any factual inaccuracies or misunderstandings. For instance, if the wrong date was entered, use the right date to make the context clear.

The key is to remember that iteration is normal because "even seasoned users don't always get perfect answers on the first try" (Institute Project Management, 2025), and it's important to learn from each iteration because if the AI got it wrong, that means we need to change the prompt or give it new information. Iterative refinement provides a high-quality final product, similar to how a project manager might assist a team member in creating a report by going over the first draft, reviewing it, making sure everyone knows

what is expected of them, and then writing a second draft. With AI, all of this would happen in minutes.

PMI's *Prompt Engineering Exchange* encourages project managers to share prompts that worked effectively for a variety of tasks (Project Management Institute, 2025). One useful strategy is to keep a list of prompts that worked well for us, along with any specific context excerpts. Over time, we may create prompt templates for common situations, such as a risk analysis prompt or a lesson-learned summary prompt, which may help us save time and get more consistent results on all of our tasks.

Step 5 - Validate, and Acquire Knowledge: Confirm and Implement. Before we fully trust the AI, make sure that its output meets our needs. Depending on how important the information is, validation may be as simple as a common-sense check or as formal as requesting a peer review. This step is crucial because AI can produce outputs that appear certain but are incorrect or lack context (for instance, they may leave out an implicit organizational issue). Verify the original data against important information. Verify the project tracker to ensure that "Milestone X is 100% complete," as the AI-generated status report states. Discuss any recommendations the AI made to the project team to ensure they make sense in the context, such as minimizing a risk. In other words, people should only use their own judgment as a last resort.

When it's appropriate, it's a good idea to be transparent about AI-assisted content, such as by noting that an AI conducted a particular study, which can help with future audits or if someone wants to know how the report was generated. Once we've reviewed the AI output, we can use it in our project deliverables or choices. We could make a few minor changes to the document before sharing it. If it's an analysis, use it to help us make decisions and write it down when necessary.

This methodology ultimately helps the project manager learn about AI while simultaneously addressing important issues. PMI (Project Management Institute, 2024) argues that as part of their professional development, project managers should work on improving their "AI fluency" and prompting. The framework above provides an organized way to do this while creating valuable projects. Lastly, write down the prompts and contexts that worked and those that didn't so we can remember what we learned and trust our gut more the next time.

Take into account the following helpful suggestions and industry best practices from early adopters and project management specialists to enhance this framework:

- **Be sure that the cues we use are clear and not vague.** If a prompt includes multiple jobs or inquiries, we may want to break it out. For example, we may get better results if we ask for hazards first, followed by ways to deal with them, using the risks as a guide, rather than asking for a list of risks and a plan to deal with them simultaneously. This approach aligns with the concept of chaining prompts for iterative depth.

- **The AI will make educated guesses if we don't give it enough context, but if we give it too much, such as sending entire papers when only a portion of them is important, we risk confusing the model or going over the context length restrictions.** One study suggests that too broad context windows can distract the model, causing it to focus on irrelevant historical details, so eliminate everything else and only keep what we need for the job. Strategies like summarizing and concentrating on new or very relevant information can be helpful.
- **Provide structured inputs, such as tables or lists of facts,** if we want the AI to work with numbers or structured data, such as creating a budget or schedule. While AI models can understand unstructured language correctly, organized information reduces the likelihood that they will make a mistake. For example, if project milestones are displayed as a clean list with dates rather than being buried in a paragraph, the AI is more likely to make a more accurate change to the timeline.
- **Make use of available tools and functions:** Some AI systems allow us to specify which tools or functions the AI can use, such as a calculator or a database search, a process known as context engineering, which enables the AI to solve problems or learn more about its environment on its own. For example, an AI that can access an API to receive the most recent project metrics could be a useful tool for project management; if we're using a setup like this, make sure the AI knows when and how to use the tool, which typically requires more engineering but can significantly improve things.
- **Increase process efficiency and document it:** As our team begins implementing AI for various tasks, document the steps they take and create standard operating procedures (SOPs) for AI support. For example, we could create a lesson titled "How to use AI to make a weekly report." This would cover what data to export, what prompt template to use, and how to check the output. This will help others learn these new steps and ensure that they always follow the same ones. With the help of the above framework and guidelines, project managers can successfully and safely integrate AI into their daily tasks. What this process aims to achieve is being accurate on time and prepared for the right situation, which begins as a random conversation with a bot and ends up as a dependable process that can be used repeatedly.

We will examine some specific examples of this synergy in action in the following section, which will teach us how to apply these concepts in practical project management activities. The numerous use cases will show how timely and context engineering can be used to address a wide range of project issues.

USE CASES IN PROJECT MANAGEMENT

AI can help with project management in a number of ways. We talk about some common situations where prompt engineering and context engineering work together to generate effective results. In each paragraph, there is a description of a situation, how “prompt + context” is employed, and what wonderful things happen as a result. These examples show how AI may help with project work in many areas, such as planning, communication, and risk management, as long as it is used correctly and with the right advice.

5.1: Using AI to help with planning and scheduling projects.

Scenario: The project manager needs to prepare a detailed plan that includes a Work Breakdown Structure (WBS), a timeline with milestones, and instructions on how to use the resources before starting a new project. A lot of talent and work went into this in the past. A lot of the basic job can be done by AI.

Using prompt and Context: The project manager gives the AI important information about the project, like the project charter or brief, which lists the goals, deliverables, timeline, and duties of each team member. This is an example of how to create context. We can also talk about any specific methodologies we plan to utilize, like “we will use predictive approach,” or, if they are available, WBS organizational templates. The PM then uses prompt engineering, creating a prompt like *“Create a Work Breakdown Structure with 4 levels of tasks for the project described above, following Waterfall phases. Then, assuming a 6-month timeline, create a project schedule table with projected durations and important milestones”*. The AI can generate a customized WBS and schedule that fits the project's particular objectives and limitations because it has the context (scope, major deliverables, etc.). For example, rather than using a generic software project WBS, the AI's WBS will divide tasks into phases like requirements, design, development, testing, and deployment, specifically referencing features A, B, and C, if the context states that the project involves “developing new e-commerce website with features A, B, and C.” The overall 6-month duration will be incorporated into the drafted schedule, which will also space out phases appropriately and may even note dependencies (especially if prompted to include them).

Benefit: In just a few minutes, the project manager has a strong first draft of a plan. Although this draft is far from final, it offers a methodical place to start that the team can review and improve. Because prompt and context work together, the output reflects the real project context rather than being a boilerplate template. For instance, if the context indicated a need for regulatory approval, the AI may determine in the WBS that a specific integration or compliance activity is required. The heavy lifting of task and timeline organization is accelerated, but a human PM may add more subtleties. In the previously mentioned study, GPT-4 was given the task of creating a project plan. It produced a plan that was clear and structured, adhering to standard templates; humans then added

context and subtleties to it. This use case was mirrored in that study. According to PMs, generative AI is used in practice to create RACI matrices or initial schedules. In just a few seconds, for instance, a prompt such as "Create a RACI matrix for a construction project involving an architect, contractor, and local council" can produce a helpful table of responsibilities. Instead of starting from scratch, the project team can now concentrate their discussions on confirming and modifying the AI-generated plan.

5.2: Smartly Identifying and Evaluating Risks

Scenario: In this case, project teams talk about possible risks, how likely they are to happen, and how bad they will be. An AI assistant can help by making sure that no known risk area is missed and by suggesting ways to minimize those risks based on past data or best practices.

Use of Prompt & Context: In this scenario, context engineering could entail providing the AI with (a) the project context (scope, external environment, constraints), as well as (b) possibly a database of typical risks or lessons learned from previous projects. The project manager may, for example, give the following summary: "Project is a data center migration for a financial client, strict downtime limits, third-party vendor involved." If available, they may also include a list of the major risks from previous projects that are similar to this one or from industry risk checklists. Given this background, the prompt might be: "*List the top five risks associated with the project mentioned above. Determine the likelihood and impact (High, Med, or Low) of each risk, then recommend a mitigation plan. Utilize pertinent historical lessons*". The AI can generate a targeted risk register by observing the particular project scenario and general risk knowledge. Due to the tight timeline, it might, for instance, flag "Vendor delay in delivering hardware" as a risk (knowing a third party is involved and such delays are common), rate it as having a high likelihood/high impact, and recommend mitigation strategies like "establishing contractual penalties for late delivery" or "keeping backup inventory". Given the financial client, it might identify regulatory compliance as a risk and suggest mitigation strategies based on industry standards, etc.

Benefit: By combining general and project-specific knowledge, this gives the project manager a thorough understanding of risks. During risk planning, it's like having a book of previous projects whispering in our ear. Because context included the project specifics, the AI won't, for example, warn about irrelevant risks (like "hurricane" for a landlocked data center) or, if it does, the PM can refine context to exclude it. This synergy ensures that the AI's suggestions are not generic. Additionally, a ready-to-use format is produced by the prompt's structure, which lists impact, likelihood, and mitigation. This format can be directly fed into a risk register document. When used in risk workshops, AI helps teams by acting as a "devil's advocate" or an idea generator, which sparks conversations about topics they might have overlooked. Although it frequently enhances the risk list, it is vital to confirm these AI-suggested risks with the team (human judgment regarding the viability

of mitigations is essential). The AI could potentially save the project from "unknown unknowns" by swiftly analyzing a large number of factors (from context and its training data). This proactive identification is consistent with the idea that AI can provide predictive insights for risk management – in other words, alerting the team earlier than they might have on their own.

5.3: Automated Status reports and dashboards

Scenario: A project manager can spend a lot of time writing a weekly status report for stakeholders that includes an overview of the work that has been done, the problems that need to be fixed, the progress that has been made, and the tasks that are coming up. This is especially true when they have to combine updates from different sources.

Use of Prompt & Context: A lot of the mechanical work can be automated with the help of an AI co-pilot. The most recent project data, such as the budget usage report, the updated project schedule (including task progress percentages), and any newly logged issues or change requests, would serve as the context for this use case. This data may be exported as parsed text or CSV data from programs like Jira or MS Project. The AI receives the raw facts when that is fed as context, possibly in a condensed form for conciseness. The next possible prompt is: *"Use the information above to create a weekly status report for the ABC Project." List the things we did or the milestones we reached last week. List the main things we need to do the following week. Issues: list all outstanding, high-priority issues along with their effects. Overall status: specify whether the project is on track, behind schedule, or ahead of budget*". The structured prompt clearly identifies the report's various sections. Each section will be filled in by the AI using the context. Pulling those facts from the schedule data, for instance, the Accomplishments section might read, "Completed database schema design (Milestone M3) on Sep 10; deployed version 2.0 of application to staging environment." If such an entry was in the issue log context, it might say under Issues, "Server procurement delay – vendor shipment late by 1 week (impact: potential schedule slippage)". Additionally, it will interpret the overall status by determining whether any significant milestones have been missed or budget thresholds have been exceeded in the context given (for example, if the context indicates that 80% of the budget has been used halfway through, it may indicate budget risk, etc.).

Benefit: Instead of requiring hours of manual writing, the PM receives a well-structured status report draft in a matter of seconds. In addition to saving time, this guarantees consistency because the AI will always adhere to the format exactly. The context guarantees accuracy because the AI is drawing precisely from the data it was given, unlike a human who might inadvertently use out-of-date information (so it's important the PM feeds the latest data). AI can also identify patterns that a human in a hurry might miss. For example, if it sees that three tasks were delayed, it may automatically identify a potential trend or cause (such as "delays due to late approvals"). Even the prompt

design lets the PM change the focus: for example, if stakeholders are very interested in risks, the prompt can be changed to highlight changes from last week's report (if last week's information is provided as part of context) or to have a separate Risks section in the report. The weekly report basically becomes semi-automated, with the PM's primary responsibility being to edit and proofread the text. This is in line with what practitioners are already doing, which is to use AI to create summaries based on transcripts or notes and to gather updates, which they then promptly review. In order to save time when searching for and summarizing information, one PMI member example mentioned using AI to create bullet points for meetings (Project Management Institute, 2025). From an efficiency perspective, this use case shows a considerable reduction in communication time, enabling PMs to refocus their efforts on stakeholder interactions and decision-making that genuinely require a human touch.

5.4: Communicating with Stakeholders and Offering them Tailored Updates

Scenario: It takes time and careful tone adjustments to make different versions of basically the same news for different audiences. For example, if there has been a delay, the project manager must inform the client, the internal team, and a regulatory body, and each of them must receive a personalized message.

Use of Prompt & Context: In this instance, context engineering means providing the AI with the necessary information about the event (e.g., "Launch date delayed by 2 weeks due to integration testing issues") and, if available, the profiles or concerns of each stakeholder group. For instance, "Client (Executive Sponsor): concerned about business impact, wants high-level details." Team: requires technical details and a plan of action". The framework for customized messaging is established by the regulator's requirement for formal notice of change in accordance with compliance regulations. The PM can then either use a single prompt that requests multiple outputs or prompt the AI sequentially for each output. For the sake of clarity, it may be easier to complete each task separately: Prompt 1: *"Write an email to the Executive Sponsor (client) alerting them to the two-week project launch delay. Remind them of the updated launch date and emphasize the steps being taken to address the issue"*. Prompt 2: *"Now write a message to the Project Team explaining the two-week delay, including the revised schedule and tasks, and the technical reason (integration issues). Be courteous and apologetic"*. Prompt 3: *"Write a formal notice to the regulatory body about the delay, referencing compliance requirement XYZ that we are invoking a schedule change notification, include necessary details in a factual, formal tone."*

The AI keeps track of the context for each of these prompts (like the new date, the reason for the delay, etc.). It does this by using a conversation where the context stays the same or by including it each time. Then, it will create three different messages, each one tailored to the audience. For example, it could send the client the following message: *"Dear Alice, I'm writing to let we know that our project's launch has been pushed back*

from October 1 to October 15 because of an unexpected issue that needs more work during integration testing." We have sent out more resources to deal with this swiftly. We apologize for the wait and are sure that the additional time will make the rollout go more smoothly." This hits the highlights without going into detail, saying, "We will keep we updated on progress and are available to discuss any concerns." The team message might go into detail: "John's team is debugging the root cause of the integration failure with the payment gateway, which occurred in 15 out of 200 test cases. We'll use the two-week buffer to address these and carry out regression testing. This means that Sprint 5 will take longer. Let's keep our minds on the task at hand. We are certain that we can reach our aim of a smooth launch on October 15". The regulatory notice would read something like, "In compliance with regulation ABC-123, we hereby notify we of a change in the project launch date from October 1 to October 15 due to technical issues encountered..." etc., referencing compliance terms as appropriate (which may be part of the context).

Benefit: The PM gets well-written drafts that save a lot of time and keep the key point the same. The prompts used varying tones and levels of detail to make each message fit, even though the facts were the same (they all talked about the 2-week delay and explanation, but they were all worded differently). Adapting to our audience is an important element of managing stakeholders (Pirozzi, 2024), and this use case shows how AI can help. When project managers need to "translate" technical challenges for business people or the other way around, the AI can be a first-pass translator. The AI is like a communication assistant that changes the prompts (the role/tone instructions) for each audience while keeping the facts the same. This helps it comprehend the points of view of all the stakeholders. This can make stakeholders happier because they get information in the way that works best for them. Executives get a big picture and peace of mind, team members get precise steps to take, and regulators get language that shows compliance. A project manager may build a list of all the people who need to be involved and then ask the AI to come up with interesting themes for each one before writing messages to make sure that everyone gets one.

One thing to remember is that individuals need to read sensitive information, like bad news. The PM should read each draft very carefully because the AI might not get all of the political or emotional subtexts. We can still get beyond writer's block and make sure we cover the important parts by starting with an AI draft. We are employing AI to make a lot of individualized communications, which some people say will make communication better by providing smart assistants and summaries.

5.5: Lesson Learned Q&A and Knowledge Management

Scenario: A project (or the time after it is over) creates a lot of knowledge because of the choices made, the information learned, the changes made to technology, and so on.

People often store this information in places that are hard to find. An AI system can help the team by answering questions and giving them summaries of what they know.

Use of Prompt and Context: In this case, context engineering means developing a knowledge base for the project that the AI can use. This could mean putting all the important files, such design documents, test results, lessons learned logs, letters, and charts, into a vector database or another format that is easy to find. To give the AI context, we can use LlamaIndex and other document indexing tools to find the most relevant parts of documents (DataCamp, 2023). The AI doesn't "know" the project by default, but when we ask it, it uses these carefully chosen facts. For instance, the AI uses context engineering to find a part of the lessons learned document that talks about vendor delays and how they were dealt with. For example, the project was three weeks behind schedule because of late hardware shipments. The team learned how to negotiate stricter delivery conditions and make backup plans for important parts. They also set up regular communication with the vendor's senior management, which made them more accountable. Since context provided the details, this response is based on the project data itself rather than on general information.

If a new team member asks, *"How do we deal with requests for changes?"* The AI explains, *"All change requests are logged in Jira, then assessed in the weekly CCB (Change Control Board) meeting."* Before approaching the sponsor for approval for large changes, we look at how they will affect the scope, schedule, and money.

Benefit: The team can use the AI as a **context-aware project chatbot** thanks to this use case. Team members can ask the AI questions and receive prompt, context-rich responses rather than sifting through Confluence or SharePoint. It's particularly helpful when sharing knowledge across silos or onboarding new team members. While context engineering handles the laborious work behind the scenes to guarantee the AI has access to the correct data, prompt engineering is comparatively simple in this case (the user's question is frequently the prompt). One such example is the PMI Infinity tool, which incorporates a knowledge base of thousands of carefully selected articles and enables project managers to search it for insights (Project Management Institute, 2025). In order to demonstrate that the AI's responses are based on real documents, it even references sources for validation. AI can offer useful insights from project documents by utilizing context in this manner, much like a knowledgeable consultant who has studied every document. For example, Infinity promotes features like insights and project document extraction and analysis. The AI may proactively detect patterns in our use case, such as "I noticed 3 out of 5 sprints had testing issues – perhaps a lesson is to involve QA earlier." At the end of a project, we could ask the AI to "summarize the main problems that came up and how they were fixed." It could then use all of the project's logs as context to make a short report. This could also be used for **post-project retrospectives**, which could find information that a human review would miss because the AI can remember hundreds of pages of logs.

In short, the examples above show how prompt and context engineering can make common project management tasks easier. These aren't just ideas; they're real tools: AI-generated work breakdown structures and schedules (planning); AI-assisted risk lists and analyses (risk management); automated status updates (monitoring & control); tailored stakeholder communications (communication management); and intelligent project knowledge Q&A (knowledge management).

All of these use cases have some things in common: **they all stress the importance of efficiency, relevance, and accuracy.** In each case, providing context (project data, documents, and specifics) made sure that the AI's output was accurate and relevant to the project, which is one of the main problems with AI: hallucinations or irrelevance when the facts are missing (MIT Sloan, 2023). Targeted prompts made sure that the outputs were given in a useful format, so there was no need for extra editing. The efficiency gains are huge: with the AI doing the heavy lifting and the PM providing guidance and verification, tasks that usually take hours (or are sometimes skipped due to time, like thoroughly mining lessons learned) can be done in minutes.

Before we finish with a look ahead, let's talk about the problems that come up when putting this synergy into action and how to deal with them. It's important to remember that these *AI results don't replace the project manager's or team's judgment*; a person still makes the final decisions and sends the messages. By using AI to do the hard work of writing documents, analyzing data, and finding information, project managers can spend more time on strategy, leadership, and working with stakeholders.

CHALLENGES AND MITIGATION STRATEGIES

There are pros and cons of combining prompt and context engineering to make new and exciting things happen. To use AI responsibly and well, project managers need to know about possible problems. Here is a list of the main problems with using AI to help with project management, along with some possible fixes:

The first problem is that **AI can have hallucinations and give wrong answers.** One of the most well-known problems with generative AI, is that it often makes up information that seems true but is actually fake or made up. This is often called "hallucinations". This might mean that an AI-generated status report for a project might suggest a fix that isn't right or say that a deliverable is done when it isn't. This happens most of the time when the prompt isn't clear or the AI doesn't have all the details it needs to understand the situation. In these circumstances, the model makes guesses to fill in the gaps. Hallucinations can be dangerous because they can make people lose trust and make bad choices.

Mitigations: The main way to protect against this is to make sure that the AI is based on solid context data, which is why context engineering is so crucial. We provide the AI real information to work with, such project metrics, real dates, and issue descriptions, which

limits its capacity to come up with new ideas. Another way to check the AI's replies is to ask it to give we references or proof, if it has any. In certain advanced uses, the AI can even name the sources of its information. This lets the PM check specific statements, just like examining footnotes. If a response seems too confident or too extensive for the context given, it could be a sign that it was made up. We should double-check that kind of content. **Retrieval-based architectures (RAG)** have been demonstrated to enhance factual accuracy and user confidence, as the AI acquires responses from a recognized source rather than only relying on its taught knowledge. For major Q&A jobs, like the knowledge base use case, a RAG strategy is the best way to go.

Setting **explicit expectations** in the prompt can help lessen hallucinations. For example, we may instruct the AI, "If we don't have that information, say we don't have it," to avoid it from making guesses. We may also use chain-of-thought prompts, like "show our reasoning," to point out times when the model isn't following logic. Before adopting the solution, the PM can find any mistakes in the reasoning chain or citations to data that isn't relevant. As the last stage in the framework says, **human validation** is still quite important. PMs should never just take AI output at face value on important issues without doing a brief sanity check or cross-referencing (MIT Sloan, 2023). There is very little possibility that a hallucination will hurt anyone as long as the AI's work is seen as a draft or proposal that has to be looked over.

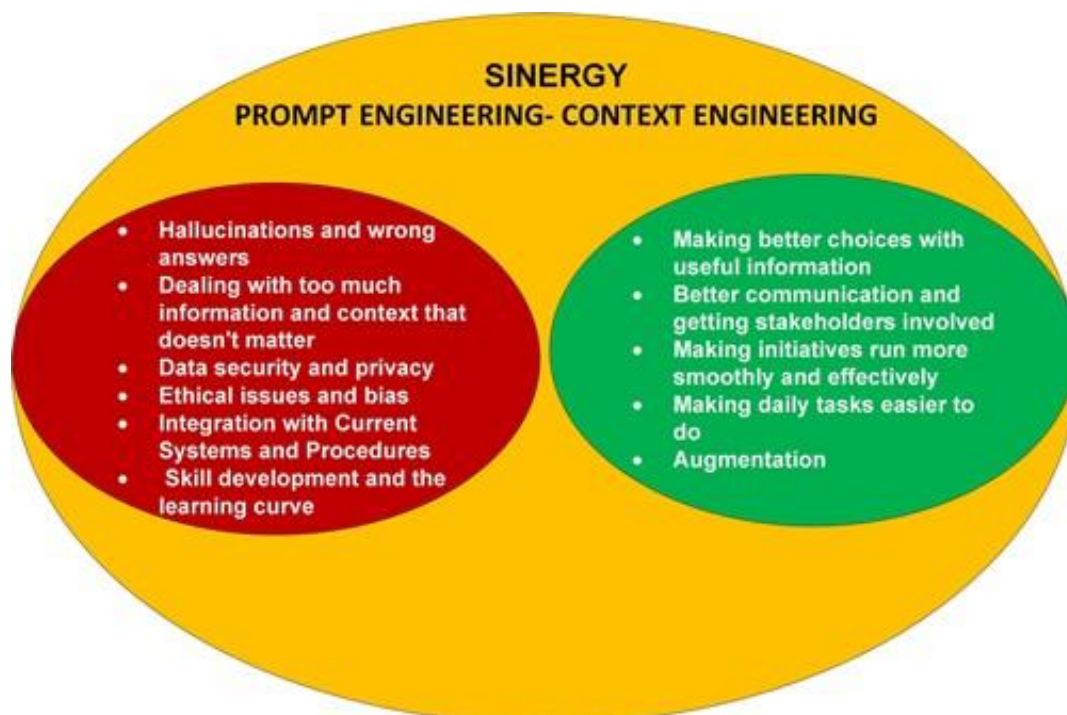


Figure 3 –Sinergy's Challenges and Opportunities

The second difficulty is **dealing with too much information and context that doesn't matter**. Having some context is good, but having too much of it might be bad. Even while performance can get worse with very big contexts, **LLMs have limits** on how many tokens they can use in a context window (for GPT-4, this could be as many as 100,000 tokens in 2025). If a PM drops a 50-page requirements paper when only part of it is relevant, the model may get "distracted" by things that aren't important or go beyond its limitations. Another issue is **context poisoning**. If wrong information gets into the context (like an old schedule or a wrong assumption), the AI will use it to decide how to respond, which will lead to more mistakes.

Mitigations: The answer is in **procedures that are structured and selective based on the situation**. Use strategies like **summarizing or filtering**. For example, instead of giving the whole transcript, only give a summary of the most important decisions made during the meeting. When dealing with a lot of data, think about breaking up the inquiries such that each one only focuses on one thing at a time. For instance, we might not have to give technical design information when someone asks about the budget status. Some context engineering patterns, including *context partitioning* (putting different types of information in separate parts) and *context ordering* (putting the most important information first in the context), deal with this issue. Even with big context windows, it's not a good idea to dump everything. Instead, employ relevance ranking, which only shows the parts that are most relevant to the question (DataCamp, 2023). Tools might aid here, like vector similarity search to find the right documents.

To avoid context poisoning, just **use one source for important information**. For example, always get the most up-to-date schedule from the official tool instead than depending on our recollection or an old paper. Set up context validation techniques if an AI agent is always running. In other words, before moving on, have the agent or a supervisor agent double-check any important information (maybe by comparing it to the source again). In general, contexts ought to be reset or quarantined upon the detection of a probable hallucination. In project management, this may mean that if the AI output starts to talk about anything that the PM knows is wrong, such an incorrect date, it should be cleared and the context fixed before moving on. Investing in a well-maintained project knowledge base with validated material will naturally reduce organizational-level context mistakes because the AI will be using stuff that has been checked.

The third problem is **data security and privacy**. Sensitive project data includes things like budgets, plans, and personal information. Sending this information to a third-party AI service, like a cloud LLM, could be against rules that safeguard data and privacy. Companies that restricted the use of ChatGPT and other similar programs after employees accidentally shared sensitive information have proved that this is a big concern. Also, context could include Personally Identifiable Information (PII) about team members or clients, which must be managed in a way that follows privacy rules.

Mitigation Strategies: Use safe or self-hosted AI solutions. Businesses can switch from public cloud versions of LLMs to on-premises or enterprise data protection versions.

Many companies, like OpenAI and Microsoft, promise that data will be kept separate and not utilized for training. If we're working with sensitive data, make sure to select those enterprise-grade solutions. Using open-source LLMs hosted inside is another technique to make sure that no data ever leaves the company network. - **Remove or hide sensitive information** (e.g. via anonymization): Before giving AI the context, try to get rid of or hide any sensitive information. For example, when we want AI to write a message to help us resolve a problem, utilize roles like "Team Member A" instead of real names. As an alternative, use project IDs instead of client names. In some circumstances, this can secure identities, but not all the time. **Policy and access control**: Treat the AI like any other tool. Make sure that only people who are allowed to use it for certain projects may do so, and keep track of the data that is delivered. There may need to be a method for getting permission to employ AI on very private projects. If the AI tool keeps logs, they should be checked. **Use features** like PMI Infinity's methodology, which trains users on PMI's own content and keeps their information private. It answers our query using our own project documents and references sources, but it doesn't share them. This is an example of a regulated setting. If our company can afford it, it would be best to have an internal AI that only learns from our project data. This would basically include everything that is behind our firewall.

It's important to make sure that everyone on the team knows what they can and can't share every time new technology is added. "*Don't paste client's password list into ChatGPT*" is one clear guideline that should be brought up. Lastly, think about the privacy of the output. If AI makes content, make sure it doesn't accidentally give away anything. If the context is right, it shouldn't, but if it uses any outside sources, we need be careful.

The fourth challenge is **ethical issues and bias**. AI models may reflect or even magnify biases in training data. *In project management, this could be subtle*. For instance, the AI might consistently recommend, based on stereotypes, that particular tasks be allocated to particular team roles (e.g., always suggesting the female team member handle meeting notes). On the other hand, if a team performance analysis is asked for, it might unfairly and biasedly blame particular individuals for issues. Ethical questions are also raised by the over-reliance on AI to make decisions that affect humans (for instance, it would be unethical for an AI to recommend firing a team member based on sentiment analysis of communications).

Mitigations: Many bias issues can be avoided by **involving a human**. The PM should assess AI recommendations in light of the company's values as well as their own personal fairness standards. However, to combat bias proactively, we can **include ethical guidelines in prompts**. For instance, we can tell the AI to "consider diversity and avoid stereotypes in our recommendations" or "Ensure the language is inclusive and professional." A simple example would be to make sure the AI doesn't use gendered language excessively when creating a project document template. There are some restrictions on OpenAI's and other models, but being clear in the prompt can be beneficial. - **Use AI outputs as a starting point rather than a final judgment**: AI may offer a perspective on issues pertaining to the team or performance evaluation, but the

manager should obtain factual evidence and a variety of opinions. In other words, in fields that call for human empathy and moral discernment, don't let AI make the final decision.

- **Diversify context and training data:** If our AI tool can be fine-tuned or if we select what data to include, we ensure it is diverse and balanced. Giving it lessons from a variety of projects rather than just one kind, for instance, could help it avoid having a limited perspective. Additionally, if our knowledge base is composed entirely of writings from a single individual or subgroup, we have to be cautious of any one data source that might be biased. - **Stay aware of biases and test for them:** Periodically test the AI with different scenarios to see if it shows biased behavior. For instance, we could test how it assigns roles in a hypothetical project scenario and see if there's bias. If discovered, we might need to modify the prompts or fine-tune the model.

Integration with Current Systems and Procedures is the fifth challenge. Practical deployment means the AI needs to fit into the PM's toolkit. People may stop using it if it is too difficult to use (copying data from one place to another, for example). Also, project management processes (especially in larger organizations) might require documentation or traceability that AI outputs need to align with. For example, if an AI writes a schedule, does it integrate back into MS Project? Or is it possible to log a risk in the risk register tool if it detects one?

Mitigations: This presents more of an operational difficulty. Among the solutions are:
Select tools that can be integrated: AI features or APIs are being added by many PM software providers. If AI is separate, use its API to connect with tools like Jira, Asana, MS Project, etc., to pull data and even to update records based on AI outputs. This may necessitate the use of middleware or some IT assistance. - **Standardize formats:** Make sure our AI follows the same structure and terminology as the templates used by our company if it generates a WBS or RACI matrix. We can guide this via prompt (e.g., "*use our template where columns are X, Y, Z*"). This prevents a scenario in which someone has to redo work because the AI output is accurate but does not fit the desired format. - **Pilot and iterate on process integration:** Start with one or two applications of AI in the project workflow and refine them. Perhaps begin by having AI create the weekly report; find a simple way to get the data in and the report out. Once smooth, incorporate it as a step in the communication process. Document how it's done so others can follow. - **Deal with change management:** Some team members may be reluctant or dubious about AI (doubt its potential, or fear of being replaced). Mitigate this by training the team on how AI is meant to assist, showing successful examples, and being transparent that it's a tool under human control. Often resistance fades when people see it reduces mundane work and doesn't make decisions for them.

The sixth challenge is **skill development and the learning curve**. Not every project manager or team member will immediately excel at prompt engineering or understand context management. Staff members run the risk of using AI improperly if they are not trained, which could lead to mistakes or subpar results. According to PMI's research, many project managers today only have a cursory understanding of artificial intelligence in project management (Project Management Institute, 2023).

Mitigations: Make training and knowledge-sharing investments. Organizations and PMOs should consider AI literacy as part of professional development. This could involve developing internal cheat sheets for using AI tools on projects or holding workshops on how to write effective prompts. - **Encourage a community practice** – for example, maintain an internal forum or channel where PMs share tips and successes (similar to PMI's Prompt Exchange concept). To boost confidence, begin with easier use cases as well. Once people get comfortable with, say, AI summarizing a document, they can progress to more complex uses like risk analysis.

One tactic from the standpoint of a single PM is to **begin small and cautiously**; initially, apply AI to non-essential tasks to observe its behavior. This gradually develops intuition about what prompts produce quality responses and what background information is required. It's a skill – and like any skill, practice and feedback (perhaps from a mentor or peer review of AI-generated content) will improve it.

In conclusion, **even though there are many difficulties, they can all be resolved by combining technological control with human supervision.** The golden rule is to keep the project manager (or relevant human) in control of the AI's contributions. **Use AI to assist, not to autonomously make unchecked decisions.** *By engineering the context and prompts carefully, many issues (like inaccuracies and irrelevance) are preemptively reduced. Additionally, the remaining risks can be controlled to a manageable level by means of careful validation, security protocols, and team upskilling.*

The difficulties and solutions mentioned are similar to those encountered when introducing any powerful tool; for example, when spreadsheets or ERP systems were first used in project settings, there were issues with accuracy, integration, and training. Governance and best practices evolved over time. In a similar vein, it is wise to **create an organizational framework for AI in project management**, including a set of guidelines similar to what we have described and possibly a "AI use policy." Organizations can modify the thought leadership on ethical AI usage and upskilling that is already being led by project management associations like PMI.

Armed with awareness of these challenges and how to mitigate them, project professionals can approach AI integration with eyes open, capturing the benefits while controlling the risks. In the next section, we will turn towards the horizon: what the future might hold as both AI technology and project management practices evolve, and how context and prompt engineering might further develop in that journey.

FUTURE OUTLOOK

Future advancements in AI could further change the field of project management, particularly as context and prompt engineering techniques advance. Several noteworthy developments and trends are on the horizon:

Constantly expanding memory and context windows: AI models' capacity to handle large volumes of data at once is expanding quickly. GPT-4 has already published versions with tens of thousands of tokens, and research prototypes have context

windows up to one million tokens. This suggests that *a full project repository, including all emails, documents, and plans, could potentially be used as background data by future AI*. An AI might be able to provide thorough project health assessments or answer extremely complex questions by concurrently referencing all relevant data. A large context window by itself, however, does not always resolve context engineering issues because, as previously stated, dumping everything can lead to diminishing returns or confusion for the model. As a result, *context engineering will remain essential*: even at higher boundaries, information needs to be carefully chosen and condensed. It may be possible to create more complex context filtering algorithms (such as artificial intelligence that can decide for itself which context elements to concentrate on).

Long-term memory capabilities may also be present in AI project assistants. Instead of managing each session separately, an AI *could maintain a persistent memory of a project* over months or years, essentially a continuously growing knowledge base of what has transpired. This would allow for continuity (never asking the same question twice, reminding PMs of past decisions relevant to a current issue, etc.). Such capabilities blur the line between context engineering and knowledge management. Project managers of the future might expect their AI assistant to "remember" the project as well as they do, if not better. This will require *advanced context engineering*, which may involve integrating episodic memory modules, vector databases, and semantic search in AI systems to store condensed knowledge and retrieve it contextually when needed.

Context-Aware and Autonomous AI Agents: According to prototypes like AutoGPT and others, the next step forward will be AI agents that are not only able to generate text but also act, iterate on tasks, and make decisions within a scope. In project management, *an autonomous agent could be thought of as a "junior project manager"* who can perform a number of tasks on their own, including updating the risk register, identifying a likely slip, checking the project schedule for approaching deadlines, emailing a vendor to inquire about a delay, and alerting the human PM. Early versions of this are already available; Office and Microsoft's Copilot for Project tools can create plans or status updates using context (like a project document) or interact with our email and calendar while we watch.

For such agents to be successful, context engineering is essential. They need to know which tool or information source to use at each step. Frameworks like LangChain and LlamaIndex are essentially toolkits for developing these context-aware agents. Context engineering has emerged in part because of the need to manage the knowledge of these dynamic agents, i.e., what they should do or think about at any given time (LlamaIndex, 2025). In the future, specialized AI agents for project management might be created. These agents may come pre-configured with business processes, PMBOK® knowledge, and the ability to connect to enterprise systems (like communication tools, ERP, and project management software). They would continuously gather context, much like a real PM scouting the environment, and only escalate to humans when necessary. This is similar to having a highly qualified AI project coordinator who oversees routine

coordination and monitoring, freeing up the human project manager to focus on strategy and stakeholder leadership.

However, using fully autonomous AI in projects raises governance questions: who bears accountability if the AI makes a bad choice? At this point, **using prompt engineering to set guidelines or restrictions becomes essential**. In addition to task prompts, future prompt designs might incorporate governance prompts, which are essentially the rules for AI agents ("*Never approve budget changes over \$X without human sign-off,*" "*Follow the company's escalation matrix when communicating issues,*" etc.). As long as the agent's charter is in effect, these could be implemented as system directives. Project managers may need to learn how to write these AI policies in a way that AI can understand as part of a new prompt engineering approach that combines with organizational policy writing.

Integration of Multi-Modal Context: While text-based context has already been discussed, important information is often included in projects in other formats, including spreadsheets, dashboards, Gantt charts (graphics), and perhaps even floorplans or BIM models in construction projects. AI is evolving to handle multi-modal inputs (e.g., OpenAI's image processing models or others that work with structured data). The future AI project assistant could accept an uploaded project schedule file (.mpp), a voice memo from a site meeting, or an image of a kanban board as context. Then it would make sense. This will require context engineering, which can transform various data formats into a format that the AI can use. For example, taking data out of a spreadsheet or internally turning a project timeline image into a text timeline.

"*Hey AI, look at this dashboard [screenshot] and tell me if we're on track,*" is a prompt that project managers could use to interact with AI more naturally. The AI would respond by analyzing the visual and aural context. This improves the synergy by adding more of the project's reality into the AI's domain. Real-time sensor data or IoT feeds could even be used as context in a construction project (AI can receive real-time data on material deliveries, etc., and can notify the PM if something seems off). Essentially, the AI is incorporated more into the project's information flows, which are not limited to text and documents.

Domain-Specific LLMs and Fine-Tuning: We may see large language models that have been specifically tailored for project management knowledge and jargon. Initiatives like models that have been improved using project archives or industry data are already in existence. In addition to producing outputs that adhere to PM best practices, a model that "speaks PM" would be better able to handle context, such as risk logs or charters, without misinterpreting them. For example, it might know what "earned value" and "RACI matrix" are by nature, but if these concepts aren't explained, a generic model may sometimes confuse them. In certain cases, **the prompt engineering burden might be lessened** because the model already comprehends context at a higher semantic level. For instance, if the model recognizes that "include timelines and resource estimates"

should be in a project plan by default, we might not need to say it explicitly. However, *prompts will continue to be used to guide focus*.

Based on the data history of their own projects, businesses can even improve models. An AI could develop into a powerful internal consultant who knows "how we do projects here" if it is trained on decades' worth of project reports and lessons. The prompt-context synergy would then operate on a more knowledgeable foundation model. It is best to combine general and targeted training because echo chamber effects may be a warning sign. This trend of using custom AI for project management is probably here to stay, though, as context engineering will adapt to incorporate internal ontologies or taxonomies (such as mapping AI's knowledge to the company's project phase gate model, etc.).

The Changing Role of the Project Manager: As AI becomes more integrated, **project managers will be responsible for managing the AI collaboration**. In the future, PMs might talk about how well they "managed their AI resources" in addition to their human resources, even considering AI-Stakeholders' engagement and management (Pirozzi, 2024). As a new tool in the PM's toolbox, *prompt and context engineering could be integrated into core project management competencies*, much like mastery of scheduling software or risk analysis techniques. According to PMI's talent development guidelines (Project Management Institute, 2023), proficiency in AI is already implied to be "*non-negotiable*" and a *necessary component of being future-ready*. The term "*AI-augmented project management (AIPM)*" may be used to refer to formal frameworks or methodologies that outline how to integrate AI into every aspect of project management with context and timely best practices standardized. For example, in an Agile team's retrospective, an AI is seen as a virtual team member that examines quality trends or team velocity using the data from the most recent sprint. The project lead, or Scrum Master, may ask in-the-moment during the meeting for insights. The future project manager ensures that the AI's "voice" is utilized and validated, much like a team facilitator ensures that all viewpoints are heard and accurate information is presented. In these scenarios, human abilities become *more focused on enabling AI-human communication*, posing pertinent queries, and verifying the responses.

An Increase in Attention to Project Ethical AI Governance: AI-specific considerations may be incorporated into future project governance. For example, risk management plans could include sections on risks associated with AI (e.g., bias, errors, and security). Stakeholder management may specifically plan how to communicate when AI produces an output (some clients may require disclosure). There may be laws controlling the application of AI to decision-making, especially in industries like government programs, healthcare, and finance. Project managers need to remain current on these rules in order to guarantee compliance. Context engineering basically entails operating within moral and legal parameters. Similar to quality or safety audits on projects, "**AI audits**" may eventually be carried out to ensure that the AI tools used in a project were properly contextualized, did not propagate bias, and had their recommendations carefully considered. Even though this sounds futuristic, there are already some obvious first

steps: some companies have AI ethics committees, and standards bodies are looking at AI management standards.

In summary, the goal of AI in project management going forward is to **further combine the "art of prompting" and the "science of context" with the standard art and science of project management**. The fundamental concept remains the same: *in order for the AI to produce useful results, we must give it the correct data and direction*. As AI grows more potent and integrated, prompt and context engineering will likely become more seamless, assuming some of the meta-work associated with context gathering itself. Project managers will be expected to guide AI systems to be effective team members in addition to managing their human team.

Our discussion of **this synergy is actually a first step toward a future of project management where humans remain aligned with stakeholder needs, strategic goals, and ethical standards while artificial intelligence (AI) works alongside humans constantly, handling complex and tiresome tasks at superhuman scale and speed**. In the end, **AI will elevate project managers** rather than replace them by handling lower-level analysis and communication drafts. **PMs will have more time to devote to leadership, innovative problem-solving, and fostering stakeholder relationships** (Pirozzi, 2019) —skills that humans excel at.

CONCLUSIONS

The question of *"if"* AI will be able to help with project management has been replaced by the question of *"how effectively."* This paper has shown that the key to employing AI well in complicated project settings is to understand prompt engineering and context engineering, and even more significantly, how they work together. *Prompt engineering gives us the words we use to tell AI what to do and ask it questions. Context engineering gives us the memory and situational awareness we need to make sure those instructions are based on actual life. They work together to make AI not just a generic chatbot or a cute gimmick, but a smart, task-focused helper that is suited to our project's needs.*

We started by defining the terms: **prompt engineering** is the skill of getting AI to do what we want by giving it properly crafted prompts, and **context engineering** is the methodical providing of the right data and conditions for AI to use. There are pros and cons to each of them. For example, a perfect prompt is useless if the AI misses important information, and a lot of data is useless if it isn't used. People said that project managers need to use both human experience to provide oversight (contextual judgment) and AI inquiries to get the most out of AI.

What makes this synergy important? because project management is a complex and multi-faceted field. When confidence and actual decisions are at stake, generic outcomes aren't good enough. **Synergy gives us more accurate, useful, and valuable results**. For example, a project plan that precisely reflects the scope, a risk analysis that finds hidden problems, or a status report that communicates the right message to each

audience. When AI outputs are based on the context of a specific project, they become far more relevant and accurate. We make sure that the AI's response is useful by writing prompts that clearly explain what it needs to know. This leads to better performance (AI speeds up tasks and finds problems early), better communication (AI sends short, personalized messages), and better decision-making (AI gives us information based on real project data). In short, prompt and context engineering make AI go from being a cutting-edge tool to a useful one that helps projects succeed.

We gave a **practical framework for putting this synergy into action**: set the task and the goal. put together and get ready the background (context preparation), come up with the prompt, carry it out and improve it (iterate), then confirm and put it into action (validation). This framework gives the project manager more authority by taking away the mystery of the process. It shows that using AI, like all project operations, requires a process of planning and getting feedback over and over again. The examples offered, which include everything from planning and managing risks to reporting and talking to stakeholders, illustrate that this method is not just a theory. Real project managers are already using these methods with the help of new tools like PMI's Infinity and bespoke prompt libraries. The use cases showed measurable improvements in consistency, insights, and time saved, all while keeping the PM in charge.

We also had to **deal with the problems** of training the team, keeping private information safe, adding AI to current processes, and making sure the outcomes were accurate and fair. At every level, we stressed **the importance of mitigation techniques**, which was basically a way of saying that governance and human supervision need to change as AI becomes more common. One recurring feature was that many of the problems were fixed by organizational steps like training and policies, as well as stricter context and prompt practices (for example, educating the AI to avoid particular biases or utilizing RAG to increase accuracy).

We got a sneak peek into **a future project environment** where AI will play a bigger role in project work. This will include intelligence that is customized to certain domains, multi-modal inputs, more autonomous agents, and better context capabilities. Context and prompt engineering will still be crucial, but in different ways. Project managers might spend more time setting up AI systems and rules (such as an AI project charter) and planning high-level interactions than they do on every single question. The proverb "*garbage in, garbage out*" still holds true, but even a smart AI will require the correct information and direction to be useful in the future. Even if the form and interface change (maybe to add more speech, chat, or integrated agent actions), people will still need to guide and curate the context. As AI takes on increasing responsibility, the project manager's job as the project's moral and strategic guide becomes even more vital. Even the most advanced ideas for AI project management see AI as a way to help people, not replace them. Project managers will always be needed to lead projects to success because they have leadership skills, experience, and intuition, which are hard to measure or teach.

In conclusion, prompt engineering and context engineering are two important parts of managing AI-enhanced projects well. Getting good at both is like learning a new kind of literacy in the digital age called "**AI literacy**," which helps project managers turn their knowledge of their field into AI collaboration. Projects have always needed to bring together different types of people, information, and equipment in order to reach a common goal. AI, or artificial intelligence, is a powerful new input that needs to be combined with other inputs. Teams and project managers who learn how to use AI well by giving it careful prompts and putting it in context will be able to get a lot of useful information and work faster, which will give them an edge over other teams when it comes to finishing projects. With their AI copilots doing the boring analysis and routine communications, they will be able to handle bigger, more complicated projects more easily.

This is mostly a **call to action for project managers** to aggressively support and promote the usage of AI. Not the other way around. Project managers who know what AI can do and what it can't should be the ones who use it. Project managers can make sure that AI helps the project meet its goals, keeps professional standards, and makes the team better by using the techniques we talked about. PMI's research shows that learning more about AI is important and crucial. Prompt and context engineering are two important parts of that skill set.

The main purpose of making context and prompt design work together is to **make a collaborative intelligence**, where machines speed and scale up human judgment and inventiveness. AI is no longer just a tool; it's a reliable partner in getting things done when it works with other people. This relationship will help future projects in ways we can't even begin to conceive. It's an exciting new frontier for project management. This report's purpose has been to give we a useful compass and conceptual map for the adventure that has already begun. Project managers may lead the way in using AI to get results that are faster, smarter, and more important than ever before if they have the correct information, a healthy dose of hope, and moral concerns.

Project managers can use this synergy right now, no matter what happens in the future. Project managers shouldn't wait for the right frameworks to use AI. They can start reaping the benefits of the synergy between context and prompt design right immediately by doing practical experiments like improving risk registers, making tailored stakeholder reports, or confirming project assumptions. But this early use of AI also shows that **people are starting to see technology as more than just a tool and more as a partner in making decisions**. The opportunity to lead this transformation is within reach, and the moment to act, is now.

REFERENCES

Barcaui A. & Monat A., 2023, *Who is better in project planning? Generative Artificial Intelligence or project managers?*, Project leadership and Society, Vol. 4, p. 100101, Elsevier.

Curlee W., 2024, [How is AI impacting Project Management? Humans still needed](#), Business and Management Blog, American Public University.

DataCamp, 2025, [Context Engineering: a Guide with Examples](#), Blog Article

Institute Project Management, 2025, *Prompt Engineering for Project Managers: Unlocking AI's Potential*, IPM's Data Digest: August 2025.

LlamaIndex, 2025, [Context Engineering- what it is and what techniques to consider](#), Blog, LlamaIndex.

MIT Sloan Teaching & Learning Technologies, 2023, [When AI Gets It Wrong: Addressing AI Hallucinations and Bias](#), MIT Sloan

Pirozzi M., 2019, *The Stakeholder Perspective: Relationship Management to Enhance Project Value and Success*, CRC Press, Taylor & Francis Group.

Pirozzi M., 2024, [The Stakeholder Perspective in the Generative Artificial Intelligence Scenario and the AI-Stakeholders](#), Featured Paper, *PM World Journal* Vol. XIII, Issue VIII – August 2024.

Project Management Institute, 2023, *Shaping the Future of Project Management With AI*, Project Management Institute.

Project Management Institute, 2024, *First Mover's Advantage*, Project Management Institute.

Project Management Institute, 2025, *AI Personal Assistant PMI Infinity – features of PMI's AI tool*, Project Management Institute.

Schmid P., (2025), [The New Skill in AI is Not Prompting, It's Context Engineering](#), Blog Article

About the Author



Massimo Pirozzi

Rome, Italy



Massimo Pirozzi, MSc cum laude, Electronic Engineering, University of Rome “La Sapienza”, Project, Program and Portfolio Manager, Lecturer, Educator, Generative AI Leader and Specialist. He is a Member of the Scientific Committee and an Accredited Master Teacher of the Istituto Italiano di Project Management (Italian Institute of Project Management). He is certified as a Professional Project Manager, as an Information Security Management Systems Lead Auditor, and as an International Mediator. He is specialized as a Generative AI Leader, and in Generative Artificial Intelligence for Project and Program Managers, in Generative Artificial Intelligence for Educators, in Responsible Generative Artificial Intelligence, in Prompt Engineering for Project Managers and for Educators, and in Agentic AI. In general, he has more than 70 Credentials in Project Management, Artificial Intelligence, Emotional Intelligence, Creative and Critical Thinking, Learning Design and Education released by primary US, British, Italian and Singaporean Universities, US Companies, US and Italian Professional Associations.

Massimo is a Researcher, a Lecturer, and an Author about Stakeholder Management, Relationship Management, Complex Projects Management, and Generative AI, and he authored or coauthored more than 50 works in 5 different Countries. In particular, he is the Author of the Book “[*The Stakeholder Perspective: Relationship Management to enhance Project value and Success*](#)”, CRC Press, Taylor & Francis Group, Boca Raton (FL), U.S.A., October 2019, the second Edition of which _ including a consistent additional part dedicated to AI - will be published soon. Due to the acknowledgement of his comments on stakeholder-related issues contained in Exposure Draft of The Standard for Project Management - 7th Edition, he has been recognized as one of the *Contributors and Reviewers of the PMBOK® Guide - Seventh Edition*, and he received the *Certificate of Appreciation for Excellence for his volunteer contributions to the Project Management Institute and the project management profession in 2020*. He also received several International Awards.

Massimo Pirozzi has a wide experience in managing large and complex projects, programs, and portfolios in national and international contexts, and in managing business relations with public and private organizations, including multinational

companies, small and medium-sized enterprises, research institutes, and non-profit organizations. He worked successfully in several sectors, including Defense, Security, Health, Education, Engineering, Logistics, Cultural Heritage, Transport, Gaming, Services to Citizens, Consulting, and Web. He was also, for many years, a Top Manager in ICT Industry, and an Adjunct Professor in Organizational Psychology. He is registered as an Expert both of the European Commission, and of Italian Public Administrations.

Massimo Pirozzi is an Accomplished Author, a Member of the Executive Team and an International Editorial Advisor of *PM World Journal*, and can be contacted at max.pirozzi@gmail.com.

www.linkedin.com/in/massimo-pirozzi-the-stakeholder-perspective