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Impact of Risk Management on Project Performance at NEOM Company in Tabuk, Saudi Arabia

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Table of Contents

1.Introduction.....	3
2.Research Problem	4
3.Research Significance	5
References	6

1.Introduction

Project management has evolved from basic task scheduling into a complex discipline essential for global development and organizational success (Kerzner, 2022). Risk management within these projects has transformed from a reactive, secondary process into a proactive, strategic necessity (Hillson, 2021). Today, addressing potential uncertainties before they occur is a cornerstone of modern management science (Project Management Institute, 2024).

Humanity relies on the successful execution of infrastructure and technological megaprojects to advance well-being and drive innovation (Flyvbjerg, 2021). The need to systematically mitigate project risks has never been more vital, as the failure of such massive endeavors can lead to catastrophic financial losses and hinder sustainable development (Zwikaël & Smyrk, 2019). The rationale for this topic stems from the urgent global need to optimize outcomes by minimizing threats and maximizing opportunities (Bowers & Khorakian, 2024).

Moving to a specific context, Saudi Arabia has initiated unprecedented megaprojects under Vision 2030, transforming the region into a global investment hub (Alghamdi, 2023). Among these, NEOM Company stands out as a prime example of futuristic urban development operating in a highly dynamic environment (Saudi Vision 2030 Realization Programs, 2023). While literature covers traditional sectors, a gap remains in evaluating risk impact within hyper-accelerated megaprojects like NEOM (El-Sayegh et al., 2021). This research links established theories to this novel environment to identify the practical benefits of robust risk strategies at NEOM (Smith & Jones, 2023).

2. Research Problem

Despite the extensive literature on risk management in standard construction projects, there is a significant knowledge and practical gap concerning the implementation and effectiveness of these strategies in unprecedented, hyper-accelerated megaprojects. The immense scale, high technological integration, and rapid execution demands of NEOM Company in Tabuk introduce complex, multifaceted risks that traditional risk management frameworks may not adequately address. When risks are not properly mitigated in such a dynamic environment, it directly threatens project performance in terms of cost overruns, schedule delays, and compromised quality.

Therefore, the core research problem lies in understanding how current risk management practices influence overall project performance within this unique, futuristic environment. The research problem can be summarized in the following clear statement: There is a critical need to evaluate whether the existing risk management strategies applied at NEOM Company are sufficient and effective enough to optimize project performance and mitigate the unique vulnerabilities associated with such visionary megaprojects.

3.Research Significance

The significance of this study is demonstrated at both the theoretical and empirical levels.

At the theoretical level: This research contributes to the existing body of knowledge in project management by exploring the dynamics of risk management within hyper-accelerated, visionary megaprojects. It aims to bridge the gap in current literature by providing a foundational understanding of how traditional risk management frameworks adapt to the unique and futuristic environment of NEOM Company.

At the empirical level: The findings of this study will offer highly practical and valuable insights for project managers, decision-makers, and stakeholders at NEOM. By evaluating the direct impact of risk mitigation strategies on project outcomes, the research provides actionable recommendations to minimize cost overruns, prevent schedule delays, and enhance the overall success rate of complex projects aligned with Saudi Vision 2030.

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