



Midocean University

College of Business

project management

Investigating why Risk Management can effectively impact the success of the project, how is it important for the continuity of the project, and what is the best methodology to use.

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Introduction:

Risk management is essential for ensuring the success of a project in the long term. It helps to identify potential risks and develop strategies to mitigate them, which can prevent costly delays and setbacks. By proactively managing risks, businesses can increase the likelihood of their projects being completed on time, within budget, and to the desired quality standards. Proactively managing risks not only benefits businesses in terms of project outcomes, but it also fosters a culture of preparedness and adaptability within the organization. This paper will discuss different aspects of risk management implementation and the expected outcomes of using the appropriate risk management measures. These aspects will be addressed in terms of why, how, and what.

Risk management is a vital aspect of project management that includes the identification, assessment, and mitigation of potential risks that may affect the success of a project. Successful risk management can help project directors explore uncertain situations, make informed choices, and ultimately improve the probability of project success. Many analysts have emphasized the significance of risk management for project success. Risk management has been distinguished as a fundamental component of project management, as it assists project managers in predicting and addressing potential challenges before they emerge. Risk management allows project managers to proactively identify and evaluate dangers, develop fitting reaction procedures, and persistently monitor and control risks all through the project lifecycle.

One study found that risk management practices, including risk identification, analysis, response planning, and observing and control, have a critical affect on the success of IT projects, as measured by process performance and product performance (Pimchangthong&Boonjing, 2017).

Also, another study noted that risk management is essential for achieving overall project success, as it helps increase the proficiency and adequacy of project processes, improve data security, and foresee dangers in future projects(Didraga et al., 2019).

Additionally, the capacity to oversee risk has been recognized as a key capability for the successful selection and execution of key projects(Al-Sobai et al., 2020)

Research Problem Statement:

Risk management selection and implementation can vary widely due to infinite reasons. The nature of the project, the local culture, and many other aspects can have an impact on which risk management practices can be a proper fit for the project. In addition to that, the rapid changes in the world with many unexpected challenges arising suddenly like COVID-19, changes in maritime trade routes and maritime decarbonization, etc....The prior examples and many other examples occurring in our world recently contribute to increasing the need for well-implemented risk management measures. Without such an understanding of risk management that goes beyond the traditional standards, projects are likely to fail easily when they confront a risk.

Importance of the study:

Undoubtedly, risk management is such an important aspect of project management and success. Many projects are subjected to failure in terms of risk management due to the ineffective implementation of the proper risk management methodology.

Many projects are struggling to specifically address what risk management tools are being misused. Misusing risk management methodology or tools can impact the project negatively. Meanwhile, having the capability to select the appropriate methodology and tools can greatly contribute to the success of the project.

Research Objectives:

Understanding why is risk management contributes to the success of the project. How to implement it properly, and what methodology to use.

Although it can be considered common knowledge that risk management is important for the success of the project. There are many aspects that could go under the radar. Becoming more conscious of why is it important comes as the first step in mastering risk management.

Also, when it comes to how it should be implemented, this can vary based on the risk management team's personality, behavior, understanding of risk management principles, and many other aspects. Understanding these aspects based on a personal level and a team level can lead to a better capability of implementing risk management methodology.

In addition, understanding what kind of methodology and tools to be used is a key element in the success of risk management. Different risks may require different ways of managing. Also, different circumstances accompanied by the risk may require different solutions. So understanding how to analyze the risk leads to a better ability to select the methodology/tools that fit each case accordingly.

Study questions:

The main focus of this study is to understand why risk management should be implemented within a project. How to implement it properly. And finally, what methodology and tools should be used?

It is important to understand the why, how, and what of the risk management. This understanding holds as the keystone for the project management team in order to select the proper risk management methods and implement it correctly.

Why is risk management considered to be an essential element in the continuity and success of the project? How can risk management play a crucial role in project success considering the many unique challenges that projects are subjected to come across? Also, what are the standards for determining which risk management methodology is best to use based on the project need?

Hypothesis:

Analyzing the project state and needs, followed by understanding what risk management methodology to implement, and how to implement it are the success keys for the project future.

The theoretical principles of the study:

Risk management varies widely based on each project. for a successful implementation of the appropriate risk management tools, an analysis of the project state shall be done first. Based on this analysis, and with a comprehensive decision, risk management methodology and tools should be selected.

The approach that will be used for this study is going to be based on studying other cases, researching related information, and refining this information in a way that serves the purpose of this study.

Methodology and research methods:

In this study, material provided through Midocean University will be considered as a totally credible source of information to be used for the study. On the other hand, other sources, like online published studies will be considered critically for the credibility of the information.

Study tools:

- The study material provided by Midocean University.
- Google Scholar.
- Microsoft Academic.
- Library of Congress.
- sciencedirect.com.

The limitations of the study:

In fact risk management in the modern world is still an evolving field. Due to the prior fact, there are not many study cases and information published to test the hypothesis on all possible levels. Anyhow, there are many to be studied and considered to reach a convincing conclusion for this study.

References:

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