

The Negligence Aspects of Project Risk Management (PRM)

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ABSTRACT : It is natural for projects to face many risks and having an administration that takes care of these risks is essential. This research aims to answer the research question is, what are the negligence aspects of PRM? Therefore, this paper investigates the negligence aspects of risk management, which constitutes a significant impact on the project and its safety, and that the purpose of the paper is to discover those aspects to raise awareness of the importance of management and the extent of its impact on the success and failure of any project. I sought to understand these aspects and result from them by presenting them to a sample of people. This research has utilized the online survey questionnaire using Google forms, for data collection. The sample was targeting project managers and employees. 161 responses have been received. Ten aspects of project risk management have been defined in this research which are: safety security reputation, financial and commercial, strategic decisions, operational, technological, legal/compliance to policies, training, and integrity. Consideration should be given to educating managers and workers on the importance of risk management and taking appropriate measures to avoid losing the project due to negligence by this administration.

Keywords - Negligence, project management, project manager, risk, risk management.

I. INTRODUCTION

Starting with one of the definitions of Project Management (PM) which is defined as "applying knowledge, skills, tools and techniques designed to meet project requirements."

Talking about PM brings the importance to mention the ten-knowledge area that need to be managed in any project, which are integration, scope, scheduling, cost, quality, resources, communication, risk, procurement, and stakeholders. So, risk is one of the knowledge areas that need to be taken seriously, otherwise the project will be exposed to failure. In fact, Project Risk Management (PRM) is currently considered an important matter at a time when conditions fluctuate rapidly. Therefore, there are many definitions of risk in general; risk can be defined as a function of the likelihood of a given threat source's exercising a particular potential vulnerability and the resulting impact of that adverse event on the organization (Gary Stoneburner, 2002). Or risk can be defined as "the effect of uncertainty on objectives" (Government, 2010). The viewed Risk management is central to the organization's management processes, such that risks are considered in teams of the effect of uncertainty on objectives (Risk Management – Principles and Guidelines, 2009). Furthermore, PRM includes the processes of conducting risk management planning, identification, analysis, response planning, response implementation, and monitoring risk on a project (Project Management Institute, 2017). The objectives of PRM are to increase the probability and/or impact of positive risks and to decrease the probability and/or impact of negative risks, in order to optimize the chances of project success (Project Management Institute, 2017). Neglecting or improper risk management is a problem in achieving project objectives (Simickova, 2020). According to Korecký (2011) project risk can be understood as "an uncertain event or condition that, if it occurs, can have a positive or negative impact on the project's objectives" (Korecký, 2011). While Campbell (2005) said, "A business owner chooses to take risks every day. Often business owners rely on experience and intuition to manage risk" (Campbell, 2005). In fact, this research aims to answer the research question of "what are the negligence aspects of PRM"?

Now, some related work will be presented.

II. LITERATURE REVIEW

Neglect is defined as the neglect or abandonment of something that should have been done, and Neglecting Risk Management (NRM) is defined as leaving or ignorance or uncertainty of the full importance of management and its presence in the project, the project can continue or stop with the existence of this management. One of the most marginal aspects is a case study of neglecting project risk management, it would appear that ignorance of risk arises for two reasons:

- Firstly, project teams are unable to predict risk because of contextual conditions such as complexity and dynamics.
- Secondly, they are unwilling to look for risks outside their defined scope of project management skills (Kutsch, 2005).

Thus, there is urge call for spreading the awareness among projects managers. (Campbell, 2005) said the more complex the business, the more important it is to identify risks that may prevent a business from realizing its potential, and to manage them in order to minimize adverse outcomes and maximize positive outcomes. And risk regulation regimes are often complex systems that comprise multiple components, which are subject to different pressures and have their own micro-cultures (Hood, 2001). Therefore, to increased awareness about avoiding the risk management, they have to follow project some standards. These standards differ in the procedures, methods and tools used (Simickova, 2020). However, there are a number of factors that affect risk management in the project; according to (Rothstein, 2002) "Much less attention, has been paid to the factors that shape regulatory officials' perceptions of risks", and "There are a number of institutional reasons why the understanding, attitudes and beliefs of officials are likely to vary within a regime". Despite the competition and change in the market, officials and project owners did not achieve the expected results and the goals written at the beginning of the project. Unfortunately, it is noted that there is a lack of awareness of the results of neglecting project risk management and a lack of appreciation of the implications of organizational neglect of risk management. (Douri, 2007) **categories** PRM into four categories: **operational** risks, **security** risks, **financial** risks, and **reputational** risks (Douri, 2007). Risk categories can assist a business in risk planning and communicating risk information (Campbell, 2005). Furthermore, more detailed categorisation of fourteen categories has been done by (Campbell, 2005) as shown in Table 1.

Table 1: Some Categories of Risk (Campbell, 2005)

Categories of Risk		
Financial	Operational	Strategic
Organizational	Commercial	Equipment
Compliance /legal	Safety	Security
Reputation	Service delivery	Project
Stakeholder management	Technology	

Sometimes it is not about complete negligence but it could be lack of monitoring, and one of the cases that reflects this is one of project owner who bought the fire extinguisher but she did not check its expiry date. So, when the random autoes came, they found it expired and she got a fine, she lost money for not being vigilant. but in fact, she could be lucky because she might have fire and loss everything in her project which was a flower shop.

Thus, Project risk management is one of the essential pillars of establishing the project, so its neglect and uncertainty increase the adverse effects in the project in terms of (cost and time). As many projects face many risks, and the capabilities of these projects and their continued neglect of the risk management aspect make some of them exit or lose in the market. The article aims to point lies in stating the points of neglect, its aspects, and the extent to which the projects were affected by them. Awareness of these projects and enterprises of the side effects resulting from negligence to manage project risks is vital because neglecting the risk or ignorance causes projects' plans to change and mostly fail. Based on all the previous studies presented, we deduce that there is a lack of research that present negligence aspects in project risk management, and accordingly this paper is trying to bridge this gap.

III. METHODOLOGY

This research has utilized the online survey questionnaire using Google forms, for data collection (primary data). The sample was targeting project owners, managers and employees. The questionnaire includes only twelve questions to encourage the participants to contribute to the study. 161 responses have been received.

IV. RESULTS AND DISCUSSION

Based on the secondary data (review of related work) and the primary data (the 161 responses), which include 64.8% of male while 35.2 are female. 66.1% of the sample are having their own projects. 59.6% answered “maybe” for the question “Do you know what is project risk management?” and 25.5% answered “No”. Fig.1 shows the percentages of the core questions in the survey.

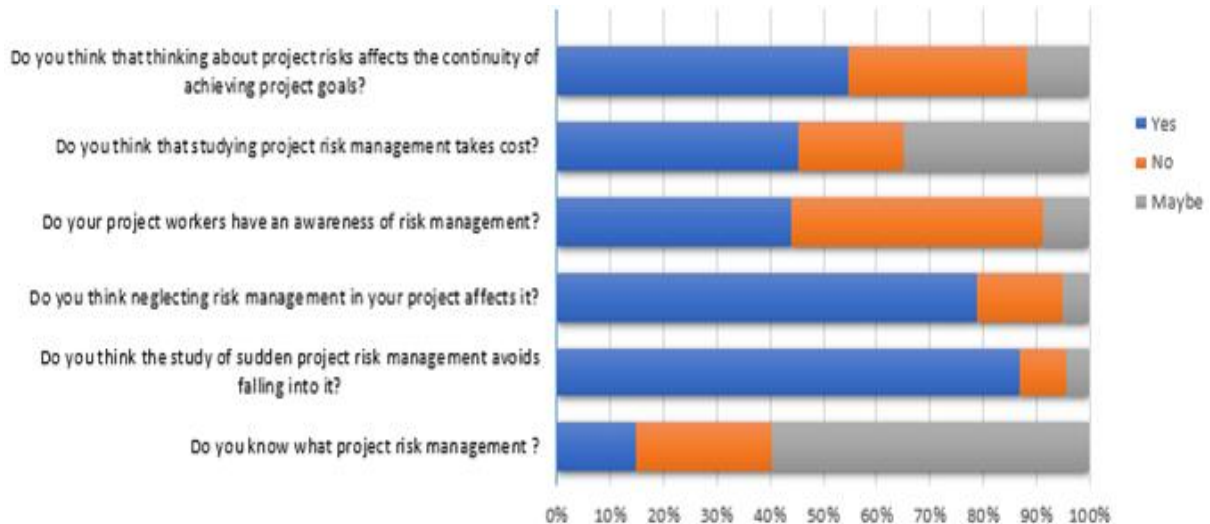


Fig.1 The survey results

In order to be able to identify PRM, we noticed based on Figure 1, we found that people are interested to know about risk management and most of them are realising the importance of risk management, however, they do not have enough awareness about risk management which buzz the alarm of being fragile to any consequences. In reality, some managers are naive or new to the market, so, they do not neglect but in fact they are ignorance or illtreat about risk management. Lack of awareness is the core cause of many problems and it needs immediate action to be solved. Policies and procedures for sure need to include standards to manage risks. In this paper ten identified negligence aspects as follows:

1. Negligence of **safety**: such as not buying fire alarms and fire extinguisher or not checking their expiry dates.
2. Negligence of **security**: such as not buying surveillance cameras.
3. Negligence of **reputation**: such as dealing with unknown suppliers
4. Negligence of **financial and commercial**: such as not following up with the market prices.
5. Negligence of **strategic decisions**: such as choosing unpopulated location
6. Negligence of **operational** aspects: such as delay delivery (unprofessional logistics)
7. Negligence of **technological** aspects: such as not updating hardware and software and not considering firewalls and antiviruses which can lead to hacking the whole system and electronic crimes occurrence.
8. Negligence of **legal/compliance to policies**: such as not complying with the governmental document.
9. Negligence of **training**: such as using ERP (Enterprise project rouces) which cost hugely, but having untrained employees which means insufficient use of the system.
10. Negligence of **integrity**: such as having duplicate work and inaccuracy which can lead to corruption.

The ten identified negligence aspects (or categories as mentioned in other studies) in project risk management is demonstrated in Figure 2.

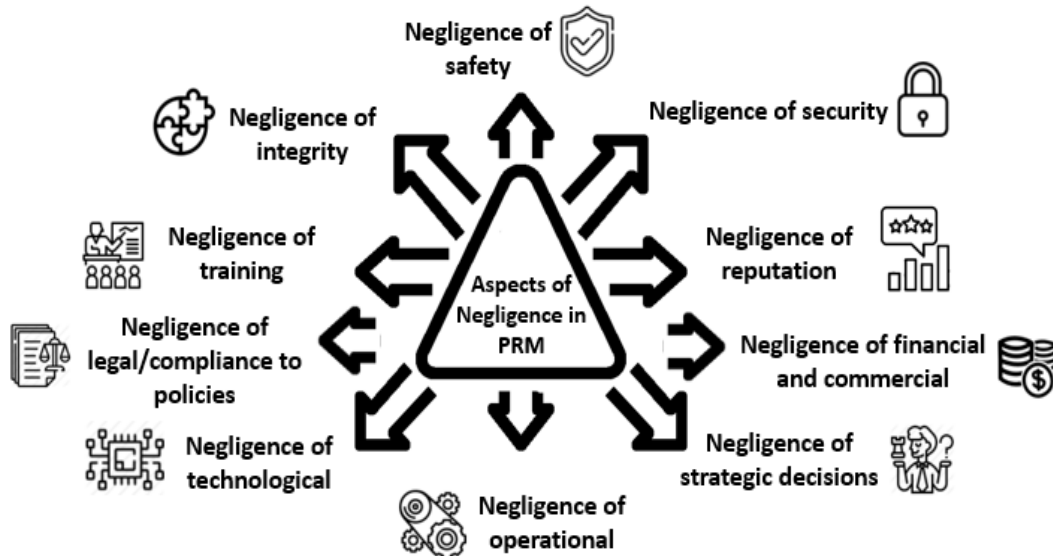


Fig. 2 Negligence aspects in PRM

The symbol of triangle in Figure 2 has been chosen to represent hazard. Figure 2 shows that there are ten aspects of project risk management have been defined in this research which are: safety, security, reputation, financial and commercial, strategic decisions, operational, technological, legal/compliance to policies, training, and integrity. Furthermore, neglecting to study sudden risks will affect the project in terms of its safety, survival in the market, and safety from sudden loss. Here, the project's reputation will be affected due to negligence and the inability to act in sudden situations. In addition, if the reputation of the manager and the workers is not good, as well as the randomness of the organization in dealing with external factors, all of this will affect the entire project and its stability in the market. Thus, one of the important action is considering the financial matters in the project risk management by setting a budget for managing risks and considering it as an essential part of any project. Ultimately, managing risks have an excellent affect because managers then will be able to operate and continue work even in the most challenging circumstances. In contrast, neglecting to think about the risks management can cause catastrophes. At the same time , some project managers believe that excessive thinking may cause them frustration, fear, and anxiety in the continuation of work and lead to a feeling of negativity.

Thus, the ten aspects of project risk management: safety security reputation, financial and commercial, strategic decisions, operational, technological, legal/compliance to policies, training, and integrity are very important to think about to manage the project risk and neglecting any aspect of them may fail the project. Thus, risk management is an important part of all projects, and it should not be neglected under the circumstances. This is because PM leads to critical decisions in the project. Frankly, most of the participants in this research showed that they are not fully aware of PRM and its impact on the project, so they must be aware of the dangerous and negative aspects of neglecting it on the projects to ensure their continuity.

V. CONCLUSION

In this paper, it has been found that risk managers and other project stakeholders can improve their and their employees' awareness and it is vital to understanding that the risk management presence will aid in the development of the projects and improve their commercial and financial positions. The ten aspects that have been raised in this paper regarding project risk management are: safety, security, reputation, financial and commercial, strategic decisions, operational, technological, legal/compliance to policies, training, and integrity. They are essential to be considered seriously. Finally, the paper proposes to reconsider spreading awareness of risk management's importance when establishing an ant project. This plays an important role in the failure and success of the project. Moreover, there is a need for more understanding of risk management in risk perception and mitigation, and the aspects of neglect deserve much research and focus on their implications. Afterall, awareness of projects and enterprises of the side effects resulting from negligence to manage project risks is vital because neglecting the risk or ignorance causes projects' plans to change and mostly fail.

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