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Risk Management Strategies in Engineering Projects: A Comparative Study of Traditional and Agile Business Models

Ainul Huda Jamil[1], Amirul Haqeem bin Abd Ghani[2], Alaeddine Ziouache[3], Muhamad Amin Ab Ghani[4], Albert Feisal Muhd Feisal Ismail[5], Mohd Norazmi Nordin[6]

[1]Lecturer, Graduate School of Business, Universiti Kebangsaan Malaysia, Bangi, Selangor, Malaysia
huda.jamil@ukm.edu.my
[2]Lecturer, Islamic Business School, College of Business, Islamic Finance and Banking, Universiti Utara Malaysia, SIntok, Kedah, Malaysia
haqeem@uum.edu.my

[3]Lecturer, Islamic Business School, College of Business, Islamic Finance and Banking, Universiti Utara Malaysia, SIntok, Kedah, Malaysia
ziouache_alaeddin2@oyagsb.uum.edu.my
[4]Lecturer, Faculty of Technical and Vocational Education, Universiti Tun Hussein Onn Malaysia, Batu Pahat, Johor, Malaysia
aminghani@uthm.edu.my
[5]Lecturer, Faculty of Technology Management and Technopreneurship, Universiti Teknikal Malaysia Melaka (UTeM)*
feisal@utem.edu.my
[6]Lecturer, Faculty of Education, Universiti Kebangsaan Malaysia, Bangi, Selangor, Malaysia

Engineering projects are inherently susceptible to uncertainties and risks that can significantly impact their success. The choice of project management approach plays a pivotal role in mitigating these risks. This research presents a comparative analysis of risk management strategies in engineering projects, focusing on the traditional Waterfall model and the more contemporary Agile model. In the traditional model, a structured, sequential approach is employed, emphasizing comprehensive planning and documentation, which can potentially reduce uncertainties. On the other hand, Agile is characterized by its adaptive and iterative nature, accommodating change and fostering collaboration but potentially introducing new risks associated with evolving requirements. This study delves into a comprehensive analysis of risk management practices within these two paradigms. It investigates risk identification, assessment, mitigation, and response strategies, aiming to shed light on their effectiveness in varying project contexts. Real-world case studies and data-driven insights provide empirical evidence to inform project practitioners and stakeholders on the strengths and weaknesses of these contrasting approaches. The findings of this research contribute valuable insights into the complex landscape of risk management in engineering projects, assisting professionals in selecting the most suitable approach to ensure project success and resilience in the face of evolving demands and uncertainties.
Keywords: AI, Data Privacy, Trust, Confidentiality

1. Introduction

Engineering projects, whether they involve constructing complex infrastructures, developing innovative products, or implementing cutting-edge technologies, inherently carry an element of uncertainty. These uncertainties, often referred to as risks, can significantly influence the outcome of a project. Managing these risks effectively is vital to ensure project success, which involves delivering on time, within budget, and meeting or exceeding the expected quality standards. The selection of an appropriate project management approach plays a pivotal role in shaping the risk management strategies employed, and this choice is becoming increasingly critical in today's dynamic and competitive business environment. In the realm of engineering project management, two prominent paradigms have emerged: the traditional Waterfall model and the agile approach. The traditional model, often depicted as a linear, sequential process, is characterized by meticulous planning, documentation, and phased execution. This model is favored for its ability to establish a clear path for project progression, with each phase building upon the previous one. Traditional risk management in engineering projects under the Waterfall model typically entails comprehensive risk assessment at the project's outset, with well-defined mitigation strategies documented in advance.

In contrast, the Agile methodology, inspired by the Agile Manifesto, focuses on adaptability, collaboration, and iterative development. Agile has gained significant popularity in recent years, particularly in industries with rapidly changing requirements, such as software development. Agile project management encourages flexibility in response to evolving customer needs, fostering close collaboration among team members and stakeholders. However, this approach may introduce new risks, such as scope changes during the project, making it essential to reassess risk management strategies. This research aims to address the pressing need for a comprehensive understanding of risk management strategies in engineering projects within the context of these two contrasting models – traditional and Agile. As project management practices evolve, it is paramount for practitioners, project managers, and stakeholders to make informed decisions regarding the selection of the most suitable approach to minimize and mitigate risks. This study delves into the intricacies of risk management practices, investigating risk identification, assessment, mitigation, and response strategies within both models. By undertaking a comparative analysis, we seek to provide empirically driven insights to aid professionals in navigating the complex landscape of risk management.

The significance of this research stems from the increasing complexity and uncertainty inherent in engineering projects today. Engineering projects often involve substantial investments, tight timelines, and high stakes. The consequences of failure can be not only financial but also can affect public safety and welfare. As such, the ability to anticipate, manage, and mitigate risks is central to the success and sustainability of engineering projects. Moreover, engineering projects have expanded beyond their traditional domains into a wide array of industries, including construction, aerospace, healthcare, and information technology. Each of these domains brings its own set of challenges and nuances to risk management.

Furthermore, the business environment has become increasingly volatile and competitive. Rapid technological advancements, changing customer expectations, and global economic shifts are now standard features of the modern business landscape. In response to these challenges, organizations are turning to Agile methodologies to enhance their agility and responsiveness. While Agile offers advantages in adaptability and customer focus, it also introduces its own set of uncertainties and complexities in risk management. Hence, understanding the dynamics of risk management within both the Waterfall and Agile paradigms is crucial for informed decision-making, allowing organizations to choose the most appropriate model for their specific projects. This comparative study will provide valuable insights into the strengths and weaknesses of each approach and guide professionals in making informed choices to ensure project success, regardless of the chosen model.

Introduction section provides an overview of the research topic, highlighting its importance and the rationale for conducting a comparative study on risk management strategies in engineering projects using traditional and Agile business models. The second section explores the existing body of knowledge related to risk management in engineering projects, the Waterfall model, and the Agile methodology. 3rd section outlines the research approach, data collection methods, and tools used to conduct the comparative study. It elaborates on the case studies, data sources, and data analysis techniques employed. The analysis includes a discussion of how each model handles risks and provides insights into which model may be more suitable for specific project scenarios. conclusion summarizes the key findings of the research and provides a conclusion, emphasizing the importance of informed risk management decisions in engineering projects.

2. Literature Survey

Alexsandro S.F., 2021, in his work represented a risk prediction model (software) for project management that was given the name "Atropos." This model was based on the project's similarities to other projects throughout the course of history. The proposed model is comprised of six primary components (stages), which are as follows: (1) inserting data about the current project; (2) analyzing the similarity of the project with historical context; (3) storing the information about the current project throughout the entirety of the project management; (4) comparing each step of the current project with captured projects from a historical database; (5) identification of possible recommendations based on comparison to the previous stage; and (6) building risk management infrastructure. In a nutshell, the author proposed an automated risk management

model that creates an accurate risk management plan with detailed elements (such as hazards, suggestions, and other relevant information). [3].
The research carried out by Li G. 2021 exemplifies a risk management model known as "Monte Carlo." This model functions as a decision-support system to forecast potential risks as well as risks that may be created by risks that have occurred in the past (interdependencies network). This model is comprised of three primary elements: (1) the building of a network of risk interdependencies for the purpose of identifying probable hazards; (2) the development of a "Monte Carlo" simulation for the purpose of assessing risks; and (3) further planning to risk mitigation measures. Additionally, the author demonstrated the significance of his model by analyzing two different instances of risk assessment in project management (see reference 4).
According to Syrine Ch., 2020's research, the Scrum technique might benefit from an improved risk management approach. This would boost the percentage of successful projects. To build this model, a poll was conducted, and the primary components were taken from PMBOK. The fact that this model incorporates all of the necessary stages, from the planning stages to the risk management stages, is one of its defining characteristics. This methodology is broken down into six steps, which are as follows: (1) risk management planning; (2) risk assessment; (3) performing analysis; (4) risk response plan; (5) implementation previous stage; (6) risk monitoring [5].
The work of Béatrix Baraforta, 2019, reveals the findings of the development of a new algorithm for the assessment of risk management. The algorithm is titled "Integrated Risk Management process model for IT Organizations (IRMIS)," and it was published in 2019. This algorithm is distinct from others in that, in this model, each process is broken down into a greater number of smaller business processes. This opens the door to the possibility of conducting an investigation into the risk in more depth.
It is also important to point out that the development of this algorithm was based on the recommendations made by the international standard ISO 31000 within the context of many standards that are part of the ISO series [6].
In the research conducted by D. Varlamova in the year 2020, the deployment of a computerized Risk Management algorithm was suggested for the company. The author recommends implementing software-based solutions in order to automate risk management. The data will be processed and analyzed automatically using machine learning techniques with the ability to build models and predictions; • the use of dashboards for reporting and visualization of operational, analytical, and statistical data; • automated document management systems will ensure the integration of normative

3. Risk and Risk Management

The formal elucidation of the notion of risk is imperative as it enables businesses to utilize consistent definitions, apply them effectively, and foster a shared comprehension of relevant language. While it is crucial to have a shared comprehension of risk, it is worth noting that the term "risk" encompasses various interpretations. Likewise, within common conversation, the term "risk" encompasses various interpretations including peril, probability, outcome, potential negative elements or hazards, and occasionally prospects [8].
Risks are characterized by various elements, such as chance, consequence, and danger, among others. Risk is commonly characterized as "the impact of unpredictability on the attainment of goals" within the framework of the ISO 31000 standard. Consequently, the aforementioned depiction implies that Risk Management cannot be seen as a mere adjunct to preexisting administrative decision-making systems. However, it is important to note that risk management plays a crucial role in all operations and procedures.

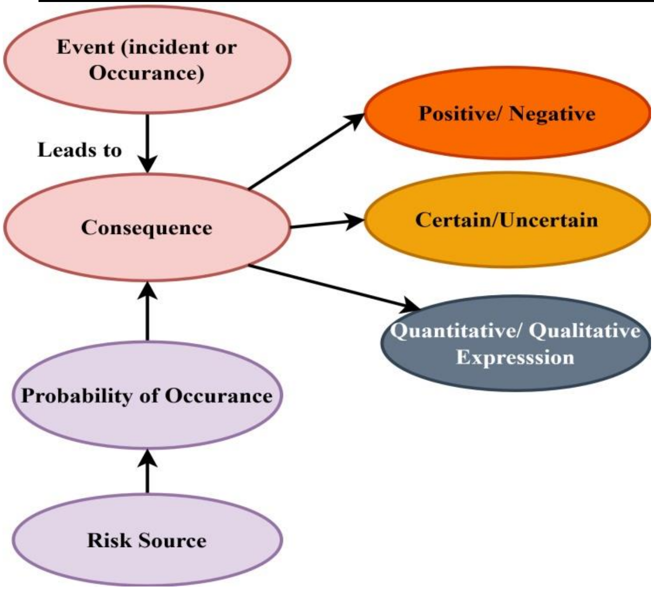

Figure 1: Risk and its elements

Furthermore, as stated in ISO 31000, goals may encompass several aspects such as financial, health, safety, or environment, and can be implemented at various levels including strategic, organizational, project, product, and process levels. The deviation from the desired outcome can have both advantageous and detrimental effects.

Moreover, as per ISO 31000, the concept of risk is delineated as the amalgamation of the potential outcomes of an event and the probability of its occurrence. It is often characterized by the interrelation between anticipated events and their subsequent repercussions, or a combination thereof. Consequently, both the probability and causes of the risk's initiation are considered integral components of the risk itself. Therefore, risk can be defined as a composite of the aforementioned components illustrated in Figure 1 [9].

4. Risk Management Model In Scrum Development Process

The PMBOK (Project Management Body of Knowledge) and the results of a survey filled out by 65 professionals hailing from a variety of nations were used as the foundation for the development of Syrine Ch.'s Risk Management model.

In contrast to the models that have been detailed in the past, this one does not contain any automated algorithms or mathematical models. Nevertheless, all of the standards outlined in standard ISO 31000 are satisfied by this model.

This concept is broken down into many steps by the author, beginning with risk planning and continuing with risk monitoring (Figure 7):

• Risk planning; • risk identification; • quantitative and qualitative analysis; • risk response; • risk response implementation; • risk monitoring; and • risk response implementation.The author specifically called out "Risk Planning" in the first step. As is the case with other models, the input for this stage is specific information regarding the current status of the project, and the stage's output is an overarching plan for risk management.

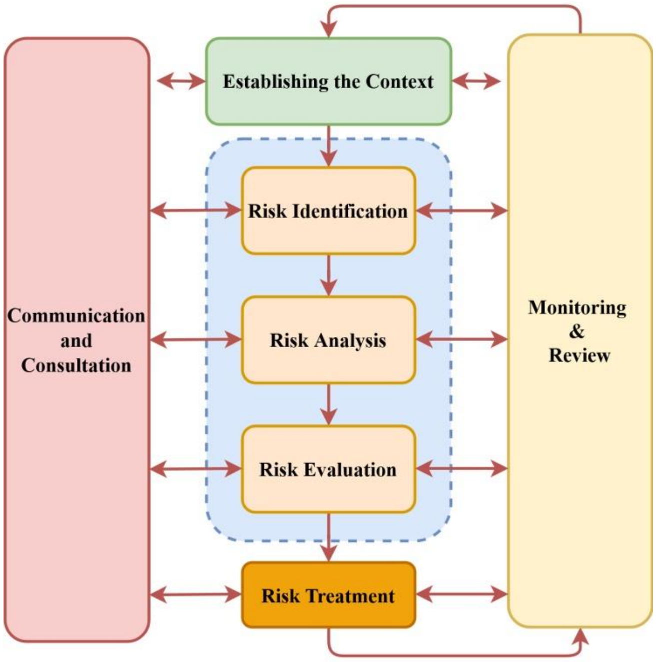

Figure 2: Risk Management Model

The "Identification of Risk" stage is the second step in the process. At this point in the process, the author advocated involving all members of the Scrum team. The team draws on its collective experience as well as the input of other specialists, which is then discussed openly. Additionally, the author brought attention to the significance of this step by providing a detailed analysis while risk was being identified. The risk register, which includes the following parameters, is produced as a result of this stage.

• Lakewood – the possibility of the risk becoming a reality; • Impact – the influence of the risk; • Category – the group to which the risk belongs; • Priority – determining the order of priority among risks; • Status – determining whether the risk has been mitigated or whether it is still open.

In addition, the author emphasized the significance of communicating with one another about the recorded risks in order to improve the team's ability to work together.

The "Quantitative and Qualitative Analyze" stage makes up the third step. At this point in the process, the risk will be evaluated in terms of how it will be impacted by the project. In contrast to the Risk Management models that have come before, this model does not provide a specific method to calculate the effect of the risk. This model is better suited for working on smaller projects because the majority of the time, it will depend on the project.

The "Risk Response" and "Risk Response Implementing" phases are the ones that come after this one. In this stage, members of the Scrum team decide which tactics will be most effective in mitigating risks and carrying out actions in response to those risks.

"Risk Monitoring" is the last stage in the process. This stage serves as a plan for future projects and is designed to control the risks that have already been minimized.

After the product has been delivered, there is an opportunity to collect the most comprehensive risk information. The risk register provides a picture of all the risk data that has been detected, and planning for future scrum projects can make use of this data.

5. Result of Analytical Comparison of Risk Management Model

Since we have discussed all of the primary ideas behind the three models that have been described so far, such as "Atropos," "Monte Carlo," and the model that was proposed by Syrine Ch., we are able to construct a comparison table to determine which Risk Management model is the most appropriate for the organization. We used the primary components from ISO 31000 and PMBOK, which are mentioned in the fifth paragraph, as well as the primary stages from each Risk Management model, which are presented in Table 1, as the basis for our comparison. After analyzing and contrasting three different models, we are confident in asserting that each of the models satisfies all of the primary standards outlined in ISO 31000 and PMBOK.

Because each of these models comes with its own set of requirements, any one of them can be implemented into the organization depending on the scope of the project.

Table 2: Comparison of Risk Management model by its specification

Components\Model	Components\ Model Atropos" model	"Monte Carlo" model	Model suggested by Syrine Ch.
Context establishing	+	+	+
Risk identification	+	+	+
Risk analyzing	+	+	+
Risk treatment	+	+	+
Automated process	+	-	-
Identifying risks relation	-	+	-
Storing projects history	+	-	-
Minimum human involvement	+	-	-

However, given that we are living in the twenty-first century, which is known as the digitalization age, the "Atropos" Risk Management model is the one that is most suited for the majority of businesses. This is due to the fact that it has automated business processes and calls for significantly less human involvement.
The high cost of implementation is one of the most significant drawbacks of the "Atropos" Risk Management approach. Because of the need to integrate databases, APIs, Bots, and other technologies, a greater number of companies are unable to make the effort to implement this strategy.
As a result, we may get the following conclusion: businesses need to select a Risk Management model according to the scale of the project. For instance, the "Atropos" model is most suited for large companies dealing with extensive projects; the "Monte Carlo" model, on the other hand, is best suited for medium-sized organizations; and the model that Syrine Ch. presented is best suited for small businesses, respectively.

I. CONCLUSION

Ethical Implications of AI in Marketing" illuminate a critical path forward for businesses in the digital age. This journey revolves around the careful balance of data privacy, consumer trust, and personalization. It is evident that ethics are no longer optional but an essential foundation for sustainable marketing practices. Data privacy emerges as a non-negotiable element, with customers increasingly aware of their rights and the value of their data. Ethical businesses that champion transparency and data minimization foster trust and loyalty. Consumer trust remains the lifeblood of brand success. Ethical marketing practices, which respect user choices and privacy, offer a competitive advantage. Trust is not just a byproduct but a strategic asset. Ethical personalization, when grounded in user consent and transparency, enhances engagement. In the digital marketplace, the message is clear: ethics are not only good for business but an ethical imperative. Companies that prioritize data privacy, consumer trust, and ethical personalization are poised to thrive in a customer-centric, ethics-driven marketing landscape.

6. Conclusion

This research presented to grasp the fundamentals of risk and risk management terminology by examining previously developed models. This study went over the fundamentals of what Risk Management is and how it can be built in a variety of different ways.
Comparisons were made between some of the most popular risk management models, such as "Atropos" and "Monte Carlo," and the model that was proposed by Syrine Ch. in order to determine which one is most suited for enterprises. The comparison was carried out using the fundamental guidelines for risk management that may be found in ISO 31000 and PMBOK. We observed that all of the authors of those models adhere to the fundamental framework of risk management that is outlined in Table 1. The manner in which each one is integrated into the organization is the primary distinction between them.
We were able to determine which model components are appropriate for the organization by conducting in-depth comparisons between the various model components. Instead, it was discovered that every model possesses each and every component that is essential and is outlined in the standard. In addition, the selection

of the model ought to be contingent on the kind of organization as well as the undertaking that is being undertaken.
In addition, it is important to point out that the author emphasized the fact that their model is of the primitive type, and that they intend to develop their models by accumulating additional knowledge from future projects.

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