ADAPTING INNOVATION AGILITY IN RISK MANAGEMENT DURING FORCE MAJEURE

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Abstract - Force majeure like COVID-19 Pandemic has redirected the organization's strategy of project management to incorporate a more coherent risk management plan. This plan shall measure and classify the different risks that can affect any project. As well as develop a risk action plan to mitigate the impact of risk and force majeure and respond to unforeseen events. However, due to the force majeure crisis, the leading organizations had to work on a spontaneous risk action plan that can quickly alleviate the risks. Major organizations have adopted, the risk action plan, Innovative and agile risk, and project management to cope with the uprising force majeure crisis complication on projects. The outcome of innovative agility in project management is measured through the rapid response to force majeure and the active response of project managers and team, which has resulted in delivering successful projects through the COVID-19 pandemic. This article will discuss the innovative agile risk management, inhabited in an organization that has mitigated the risk of a force majeure crisis, the outcome of the methodologies, and the response of the project managers, team, and management. Furthermore, it was concluded that the innovative agile methodologies and measurements taken during the Pandemic can be further developed to be strategic platforms for the organization's risk management plan. Moreover, innovative Agility is more than just a corporate approach, but rather a collaborative implementation.

Keywords - Innovation Agility in risk management, innovative agile methodologies, Managing force majeure crisis, project managers and team, risk management plan.

I. INTRODUCTION

The ability of an organization and its supply chain to respond quickly to an unforeseen change in the business environment forms the key to its sustenance in the market [2]. Force majeure like the COVID-19 Pandemic has redirected the organization's strategy of project management to incorporate a more coherent risk management plan. The plan measures and classifies the different risks that can affect any project. Furthermore, developing a new course of action to respond to unforeseen events. However, in a force majeure crisis, the leading organizations had to facilitate a spontaneous risk action plan that could quickly yet efficiently reduce the threat. Thus, Unforeseen and distinctive force majeure challenge most of the risk action plans in reacting to organizational crisis, human, resource management crisis, and cost management crisis. Therefore, Major organizations have adopted Innovative and agile risk and project management to cope with the uprising force majeure crisis complication on projects. Incorporating agile methodologies has rescued projects from collapsing. A study was done in a project-based organization on several projects to validate how innovative, agile project management has saved projects during a calamity. The study revealed that combining agility with innovative project and risk management was pivotal to effective project management during a crisis. To this end, Innovative Agility is attained through a collaborative technique rather than just the work of a project manager or a corporate approach. The outcome of Innovative Agility in project management is measured using the rate of coping with force majeure and the active response of project managers and teams. Consequently, leading to the regeneration and identification of new capabilities to balance the organization's strategy, structure and process, and external forces [1]. Further in this article, the outcome of methodologies and responses of project managers, teams, and management in an organization that has assimilated the innovative, agile risk management plan in reducing the threat posed by a crisis, is explored.

II. INNOVATIVE AGILE RISK MANAGEMENT METHODOLOGIES

The current crisis caused by the pandemic has challenged recent technologies, processes, and management methodologies. As a result, it required an immediate change in the approach of project management and developing risk management plans involving innovation and agile framework. These plans are to be adapted to the strategy of an organization to enhance the implementation of this innovative instrument within the project's management. In the current crisis, Different organizations and companies have adopted several policies as a response. However, organizations with solid innovative and agile infrastructures were capable to adapt faster to the pandemic securing the safe and efficient running of their projects. Thus, maintaining the continuity of their business. Organizations who invested in the innovation of strategies and adapting plans for a strong basis of innovative infrastructure adapted to the situation and were able to make achievements during those difficult times.

A study, regarding such, was done in organization X, which is a leading governmental Water and electricity provider utility that serves more than 900,000 customers. It manages the city infrastructure from generation to transmission and distribution. This article will be looking over their transmission projects during the Covid-19 pandemic. Several agility project methodologies were implemented into the risk mitigation plan. The full implementation of an innovative agility risk management plan through the Smart organization model was the most effective mode that has supported project management during the pandemic and rescued business continuity. The smart organization model consisted of developing and tailoring software and programs for project management and communication process. The programs and software involved two focal, innovative investments regarding the documents management process and project management process. Both were effective platforms for risk mitigation. The first innovative software has ensured that project monitoring and controlling were done effectively and timely without any interruption. All the progress and schedules were accessible and monitored by stakeholders. Not only that, but it also guaranteed that all stakeholders are connected and aligned. Therefore, all invoices for contractors are processed promptly without any disruption. The other innovative program was an efficacious platform that ensured the flow of documents timely and as required. This program facilitated the submission of necessary documents and letters through a smart document system which enabled the team to connect spontaneously across distances. All those platforms were running without the requirement of the physical availability of the project team in offices. Before the pandemic, Organization X was already investing in the innovation infrastructure for mitigating risk arising from force majeure, as to not influence its project management. Fortunately, it has come into full benefit during the current pandemic. Organization X has successfully ensured the continuity of their strategic projects unimpeded because of the Force majeure of the Covid-19 pandemic. Studying organization X, the Greater risk was faced by the project team during the inspection procedure. This procedure is required for the inspection of the equipment overseas. However, this procedure was hindered due to the travel restrictions put in place due to the pandemic. As a response, an agile mitigation plan was set. The organization implemented the virtual inspection of equipment. This procedure avoided delaying the schedule and ensured that quality measurement was not sacrificed. Further risk management policies were implemented in the organization to lessen the risk the pandemic poses such as prioritizing the project in the organization. Therefore, this would ensure all the efforts are directed where it is most needed and required. Organization X successfully adopted innovative methodologies in project management to mitigate risk. This was possible because it was embedded in their strategies. Investment in innovation in the light of project management and risk mitigation plans is essential to ensure business continuity to capture the essence of the agile approach to risk management. As Alan Moran, the author of "Agile Risk Management", stated that successful project management is achieved by risk tailoring agile methodologies in the light of project-specific circumstances and the wider enterprise risk management environment as well as identifying and treating the project risks on an ongoing basis [7]. Organizations and companies structured with fast-reacting teams along with innovative strategies are developed to respond to the need for innovative digital services. Innovative agile methodologies also inquire about the need to assume new activities for effectively managing and controlling project management and risk management. This technique acknowledges the uncertainty and dynamism of technological evolution [6]. Innovation and agility project management is to be adapted to further steps as this pandemic has shed light on the importance of adopting robotics and AI in the project management industry. The application of Robotics and AI can facilitate work required by engineers and teams. It can assist work that requires physical contact and physical locating of engineers at the site. In addition, it can simplify site resourcing. I believe many activities with this level of technology can be developed to be completed by the use of Robotics and AI without the need for human intervention. This will emit the requirement of human availability at many project sites and ensures project continuity. Therefore, all organizational resources to be directed to develop those technologies to prepare for any future pandemic. It will also play a role in implementing and adapting the best lessons learned from past crises for generations to come. To this end, an assessment of the existing agile methodologies and innovative technologies is required. This assessment shall measure their effectiveness and response efficiency to formulate a plan for future advances required for technologically efficient deployment.

III. THE OUTCOME OF THE METHODOLOGIES

Innovation risk management involves implementing and adopting new techniques, technologies, and methodologies for managing risks. Innovation in itself carries risk in its success of implementation and adaptation. Moreover, accompanying both innovations with risk management increases the threat of success in the planned process. As such, agility was the key factor to balance the successful implementation and adaption of the innovative risk methodologies. Agility identifies and alters the

requirement of modification and improvement in the projects which make up the adapted mitigation and preventive policies. Risk can be any source factor affecting project performance, and when this effect is both uncertain and significant in its impact on project performance, the risk arises (Chapman and Ward, 1997). The risk of any project performance arises when uncertainty arises. In the case of force majeure, the risk affecting projects is the most implicit, as its influence on the project is indefinite. Therefore, adapting agility as a mitigation and prevention measurement becomes a necessity and key for rescuing the project from being influenced and hampered. However, implementing agility requires the organization to be lean and adaptive towards innovative management methodologies. Approaches and techniques in principle are directly associated with the organization's structure, project's features, and nature. The agile practices shall account for the variability of risk and support projects. Not only that but also the consistency of approaches shall consider the requirement in case risks occur. Thus, the innovative agile process must be coordinated with the existing process [8]. Moreover, the success of the methodologies is evaluated from the extent of achieving the project's goal of scope, time, and budget.

Considering Organization X's implementation of innovative methodologies for managing projects, we see that the procedure has rescued the project and supported project continuity. Moreover, it ensured uninterrupted project management and business flow. As a result, during the pandemic, four projects were completed as per the planned schedule and at the cost of more than a 100Million dollars. This proves that innovative agility risk management is indeed an effective formula. The organization's approaches had to be swift and advanced to cope with the uprising situation. The pivotal point was the spontaneity of the response and easiness of adaptation of each methodology with the minimal transition period and the weight of turning the whole project management aspect into a smart platform. And developing these methodologies for adapting to the pandemic was the key to success and achieving the project goals.

Generally, the usual constraints for achieving any project goals are the external factors that occur in the project lifetime. These factors multiply when correlated with force majeure that is not controllable or known. Nevertheless, the issues become more significant as the size of the projects increase. Large-scale projects are more affected by force majeure and pandemics, as more elements are associated with the project. Force majeure such as the COVID-19 Pandemic has added external pressure on projects planning, monitoring, and controlling that were well beyond human control. Many restrictions have evolved with the pandemic that were not considered in the initial risk plan. This includes but is not limited to resources, technologies, and availability[11]. As such, implementing an organization strategy that aligns the project's innovative and agile risk management with corporate strategy and a performance measurement system, increase success rates of projects and accomplishes corporate strategic goals [9]. These strategies identify the capacity of an organization to transform into new technologies and innovative practices. Transfer to agile practices and developing risk management based on them is crucial for the survival of organizations. Usually, the risk management plan is developed to prepare for prevention and mitigation action plan to acquire resources and resolve common and known risks. However, only an agile risk action plan can adapt to this ever-changing pandemic, where the entire ecosystem collapsed, the economic structure changed, and logistic operations interrupted. Times like these are when an organization that is prepared for agility can implement the same and ensure its best operation. Therefore, agility risk management must be a part of an organization.

IV. RESPONSE OF THE PROJECT MANAGERS, TEAM AND MANAGEMENT

The transformation of any organization to adapt agility and innovation in any of its strategic plans is well dependent on human resources. As such, agility is measured by the ability of the organization's team to adapt quickly to any uprising changes that might occur [3]. Dynamic and innovative teams are ones that can adapt to any change. Which highlights the organization's agility structure [3].

As stated by Inti Benites, the CIO BIND (Banco Industrial), in the article on agile transformation, "One key challenge of their transformation was the adoption of agility by the employees" (28). The team is the most important part of the puzzle in the success of the agile risk management plan. Agility is teamwork that requires a precise level of alignment and cooperation among the team members in the organization. Not only internal stakeholders but also external stakeholders.

The ultimate response of well-developed organization resources facing the Covid-19 pandemic crisis was to update the risk action plan, inhabit innovative agility, and immediately activate the same [4]. To do so, an organization must conduct workshops on inhabiting agility and sharing awareness. As said, it is teamwork. Subsequently, employees align with the organization's direction to inhabit agility as a style of project management. A study conducted by KPMG in 2019 Survey on Agility, showed that 59% of the challenges toward implementing agility is the organization

culture and teams (4). Therefore, change management shall incorporate to align employees with the strategic direction of maximizing the agility of the organization. This will require inhabiting this methodology in the operation and controlling of activities. The response of the Employees to the crisis is the answer to how well the organization is prepared for crisis. To this end, many organizations were conducting training on risk mitigation and prevention. Furthermore, obtaining knowledge of the risks and concerns. However, when a crisis occurs the response measures the readiness of the organization to overcome the risk and as such its strength. Accordingly, the strength of the organization is defined by how well the employees developed to adapt to force majeure to ensure business continuity. Not only that but also, more importantly, is the alignment of the team to the organization strategy. In organization X, many workshops and coaching programs were done to emphasize the culture of agility and innovation management. Consequently, building the mindset and organizational norms along with the swift of organization strategy toward incorporating innovative agility in management. Therefore, when the pandemic occurred the transformation to the smart platforms was possible as employees were ready to adopt the same. This played a key role in the success of the projects of organization X during the Covid-19 calamity. The development of agile employees was very important to allow the adaptation of the agility organization. This development is well obtained through training and norms maintained and circulated within an organization. For future studies, I recommend obtaining a study in an agile organization to measure the employees' awareness about agile methodology and willingness to adapt to agility risk management. Organizations shall focus more on adapting changes in management during force majeure and enhancing the knowledge of employees. Additionally, developing them to acquire quick and fast proficiency of technology to identify the opportunity to best manage and control projects during a crisis. Additionally, developing employees' skills through empowering employees. These measures will enhance the engagement and alignment of all the project stakeholders disregarding their physical separation. Likewise, the team would become well prepared to react quickly to ensure business continuity. Ultimately, agile employees will make an agile organization.

V. CONCLUSION

In conclusion, the question is not whether an organization should adopt agile innovative management. However, it is when and how should the organization implement it. Adopting agile innovative methodologies is mandatory to survive and remain in business in the current pandemic and after the pandemic. The question remaining is how an organization can enhance its culture and build the necessary platform to do so. This can be a central and major change in the strategic direction of the organization and its capabilities. Not only that, but it will also require major changes in the culture and people. This will provide speed and accessibility in adaptation to the unseen future and rapid external and environmental impact. This will put an organization in a place of control when dealing with crisis and prompt it to lead the change and business environment.

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