

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME**

**EFFECT OF RISK MANAGEMENT PRACTICES ON
PERFORMANCE OF INDIGENOUS PEOPLES DEVELOPMENT
ORGANIZATION**

WIN THIDA NAING

OCTOBER, 2022

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Supervised By:

Dr. Thynn Thynn Myint
Professor
Department of Commerce

Submitted By:

Win Thida Naing
MBF II - 74
(Day 2nd Batch)

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ABSTRACT

This study focuses on the effect of risk management practices on the performance of Indigenous Peoples Development Organization (IPDO). The objectives of the study are to identify the risk management practice of IPDO and to analyze the effect of risk management practices on the performance of IPDO. Questionnaires Survey are used to gather data and information from 70 respondents. After that, analytical methods including regression and liner regression analysis were applied. The findings of the study highlighted, supporting the necessary adoption of the practices to enhance performance of IPDO. Another finding showed that the two-positive factors of risk sharing and risk retention are essential to contribute towards the success of organization's performance. Proper maintenance of risk avoidance, risk reduction, risk sharing and risk retention helped the success of risk management practices for the organization. Thus, risk management practices of IPDO should be focused on improving performance. It is recommended that the management of the projects need to ensure that the risk management practices are well integrated into project implementation.

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CHAPTER I

INTRODUCTION

Performance of a project determines project outcomes based on project complexity, contractual agreements, stakeholder relationships, project manager skills, and skills of other stakeholders involved. It is observed that project performance is usually measured and evaluated by measures based on that performance. These instruments are usual methods of obtaining and presenting relevant information related to inputs, project efficiency and effectiveness. The improvement and continued benefit of the NGO sector has proven to depend on the creation and time-to-time performance of projects to sustain or complement the way NGOs survive. Especially, government stakes a strong interest in the work of most NGOs and ensures that all organizations operate transparently. A key issue in project performance then becomes how to handle risk management.

Risk management refers to the process of identifying the risks of loss faced by an organization and selecting the most appropriate techniques to effectively deal with those specific risks. Risk management has become a priority for all sectors of the economy, so thus organizations can protect their interests while achieving their goals. Through risk management, organizations can ensure that they will achieve the desired results, reduce the impact of threats to acceptable levels, and increase opportunities to seize opportunities (Hopkin, Institute of Risk Management, 2012). Efficient and effective risk management is the need of each and every organization and is one of the key responsibilities of firms. However, effective risk management boosts the performance of any organization.

Risk management is important for Non-Government Organizations (NGOs) because any NGO starting a project has to consider all factors, including its size, the expected impact on the community, and the project's cost, before undertaking it. If the risks involved are high, they cause financial losses and in the worst case, NGOs would be failed. Risks represent obstacles that can derail any set of plans leading to the termination or partial completion of the whole project (Franz & Messner, 2019). Through careful mitigation processes, it becomes possible to offset the impending effects of such risks and this constitutes the risk management process as witnessed in projects across the global, regional and local scenes.

Indigenous People Development Organization (IPDO) is a Non-Governmental Organization (NGO) that started to involve and engage in the United Nations (UN) system from the time of the UN Working Group on Indigenous Peoples under the Sub-Commission on Human Resource Development after it was founded in 1995. In 2017, in collaboration with the Ministry of Ethnic Affairs of the Myanmar government, the IPDO co-organized the country's first-ever Policy Dialogue on the Development of Indigenous Peoples in Myanmar. The IPDO also helped and facilitated the Ministry of Ethnic Affairs in drafting its by-laws by conducting two rounds of multi-stakeholders' consultations with government, and civil society organizations. IPDO regularly assesses the capacity of the organization or the individual who will be leading a new program or project. However, there is also a situation that cannot be controlled in advance, for instance, the situation that changes during the implementation of the work or an ongoing activity due to purely and an immediate result of political turmoil or economic crisis. As part of the ongoing efforts to address within the organization, the IPDO management team would issue guidance, policies, memo, etc., for the smooth operation with an aim of good risk management practices, however, there is a requirement for the study of the risk management practices which will issue the framework for the evaluation of risk management practices. Therefore, this study tries to analyze the effect of risk management practices on the performance of IPDO.

1.1 Rationale of the Study

International Non-Governmental Organizations (INGOs) around the world face significant risks related to corruption and fraud in their activities. They also face challenges related to maintaining the physical health of those working in their programs, including program beneficiaries, third party partners, and INGO staff. To mitigate these risks, INGO has devoted significant human and financial resources to establish internal risk management practices and other mitigation measures to operate in these challenging environments. All organizations around the world are taking a global approach to all the risks they are exposed to which is integrated risk management. Integrated risk management is an ongoing process in which potential risks are assessed at all levels of the organization and all results are collected at the business level to improve decision-making.

INGOs working in Myanmar draw on various funding sources: bilateral donors, multilateral donor funds, and private donors. The fact that projects involve heavy funding is an indication that risks are involved in whatever project is undertaken. Risks need to be factored in any project planning as this could be the surest way of avoiding total loss in case of failure or that risk coming to pass. Initial project risk management practices, including avoidance and reduction practices, can be interchanged but require strict calculations with forecasts to aid in mitigation processes. These two practices have been tested successfully on various NGOs' specific projects. NGOs have struggled to have well-performing projects even though they have always shown tremendous or colorful initiation or commencement.

As far as the IPDO is concerned, a lack of good risk management practice has impacted in the past where it has to partially terminate a project on the promotion of environmental awareness for the ethnic minorities in Myanmar. However, the recent policy and development practices from past experiences have now helped to increase the performance level of the organization. Currently, IPDO practices risk management practices as risk avoidance which is being aware of where risks exist and taking the best steps to take out the chance of encountering the risks, risk reduction: which is a measure undertaken to reduce the value loss, such as the financial losses incurred, and risk sharing: as the spread of risks in a pre-calculated formula amongst various parties but normally between a firm and its insurance partners and risk retention which is a calculated strategy of reserving funds to offset a risk when and if it occurs, a saving fund in the form of self-insurance with the possibility of covering many forecast risks for the entity.

It is also vital that IPDO makes sure every effort to fully understand the underlying drivers of risk and fraudulent activities and behaviors. It is only when the motivations of the individual, as well as the collective, are well understood that risks can be fully anticipated. According to Stulz (1996), to represent certain risks, the organization can have a comparative advantage and thus improve performance. Reviewing risk management publications generally improves risk management practices and the organization's performance. By linking risk and performance management, the organization can ensure a more effective and efficient understanding of the value of implementing risk management practices. Therefore, it's time for a review the understanding of risk management practices and their impact on the

performance of IPDO to address the increasing level of complexity, chaos, and uncertainty in the project environments.

1.2 Objectives of the Study

The objectives of the study are as follows:

1. To identify the risk management practices of IPDO and
2. To analyze the effect of risk management practices on the performance of IPDO

1.3 Scope and Method of the Study

This study focused on risk management practices of IPDO at the Chin State. The scope refers only to the IPDO's surveillance system and excludes other areas such as human resources. Surveys are collected from project Employee who are currently working at IPDO. Both quantitative and qualitative research methods were applied to data analysis. Primary data with a five-point Likert scale structural questionnaire were collected by simple random sampling techniques and 30% of the sample population (70 respondents) were collected for the study. Secondary data is collected from relevant risk management literature, public documents of affiliated companies, the Internet, and official publication data of each organization. This study used multiple regression analysis and correlation analysis by using Statistical Package for Social Science (SPSS) software.

1.4 Organization of the Study

This study comprises five chapters. Chapter one is an introduction that includes the rationale of the study, objectives, scope, limitations, method of study, and organization of the study. Chapter two describes the previous research done by other scholars, theoretical background, and conceptual framework. Chapter three discusses the risk management practices of IPDO. Chapter four presents data analysis on the effect of risk management practices on performance of IPDO and chapter five concludes the findings together with recommendations for further research.

CHAPTER II

LITERATURE REVIEW

Chapter two present theories and concepts regarding risk management practices. Precisely, the theories, empirical works, and conceptual framework of the study are summarized.

2.1 The Concept of Risk Management

Risk has been defined in a number of ways, which are almost never entirely true or false, but are useful tools for abstraction and creating common focal points (Rosa 1998 in Habegger, 2008). A dictionary definition considers that risk is ‘the chance of injury, damage or loss’ (Webster, 1983 in Habegger, 2008). Terje and Ortwin (2009) consider that although there wouldn’t be an agreed general definition of risk in the literature, there might be some common characteristics that can mention.

The modern perspective of Risk Management is “the distribution of possible deviations from expected results and objectives due to events of uncertainty, which might be internal or external to the organization”. In this perspective, the influence of risk factors could have then connotations of positive or negative and assumes the risk to be a generator of both potential losses and opportunities (Cleary and Malleret, 2007). Figure (2. 1) illustrate the definition of risk.

Figure (2.1) Definition of Risk

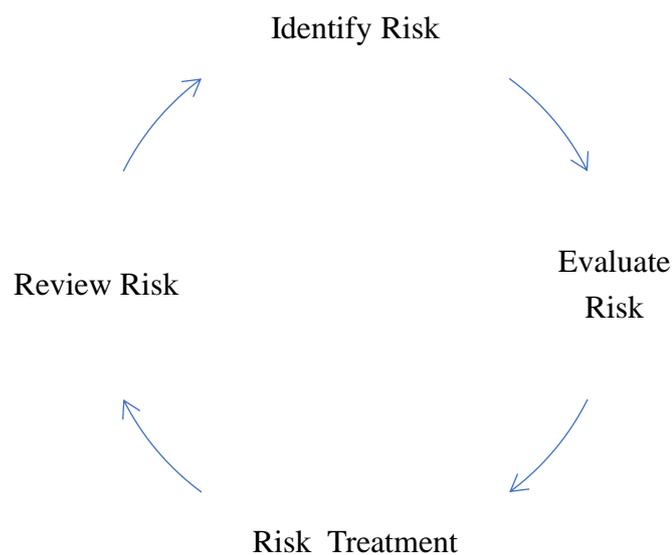


Source: Adapted from Terje and Ortwin

2.2 Risk Management Process

The literature provides different approaches for the risk management process. According to Antonio, B., & Barbara, G. (2013). the risk management process or cycle would be composed at least of four stages; identifying the risks; evaluating the risks; considering alternatives and selecting the risk treatment devices and the implementing, and reviewing risk stage. Figure (2.2) explained the risk management process from the risk identification, risk evaluation, risk treatment and reviewing risk.

Figure (2.2) Risk Management Process



Source: Antonio, B., & Barbara, G. (2013)

The first step of a standard risk management process is related to the identification of the risks that the organization might face. This involves identifying the threats and uncertainties associated with organization objective. It entails cataloging likely risks by using breakdown structure, arranging them with the details and entered into a project risk log or risk register. With this, it is easier the related team to recognize and measure potential threat to the organization. The identification stage is normally performed by using several instruments such us internal records of the organization, insurance policy checklist, risk analysis questionnaires, flow process charts, analysis of financial statements, inspection of the firm's operations and interviews among others (Vaughan, 1997). Accordingly, the evaluation step involves measuring the potential size of the loss and the probability that it would actually

occur, providing some ranking that would classify the risks in order of priorities. The third step in the risk management process, has to do with the techniques or practices that should be used to deal with each risk. The basic practices frequently discussed in the literature are: avoidance, reduction, retention, and transfer. Therefore, it is interesting to appreciate that this phase of the risk management process is primarily a problem in decision making, where the organization needs to decide among several types of risk management strategy (Cienfuegos, 2012). In this stage, the decisions that were established in the previous phase need to be implemented. The final step of the process of risk management would be about reviewing the risk management program, establishing check and balance procedures in order to make sure that the objectives of the risk management program are accomplished.

2.3 Risk Management Practices

A fundamental part of the risk management function is about implementing procedures that would minimize the occurrence of loss or the financial impact of the ones that would occur anyway (Vaughan 1997). As Drennan and McConnell (2007) address, once current and potential risks have been identified and evaluated, decisions would be taken on how to respond and, in particular, what actions could be taken in order to improve future outcomes. Therefore, a judgment is required to be made about the most appropriate response form a range of possible options. This would require first a phase of analysis and assessment of risks attached to the organizations, followed by the implementation of the risk management strategy considered most appropriate for each type of risk. Therefore, generally organizations would have the option to avoid (risk avoidance), reduce (risk reduction), share (risk sharing) or retain (risk retention) that have been assessed (Knight, 2005).

Following the same considerations Vaughan (1997) identifies two broad dimensions to classify these techniques for dealing with risk, which are risk control and risk financing. Therefore, according with this approach, risk control techniques would be designed to minimize, those risks to which the organization is exposed. As a consequence, risk control methods include risk avoidance and the various approaches to reduce risk through loss prevention and control efforts. Risk avoidance would mean that the organization would refuse to accept any exposure to loss arising from a particular activity. Therefore, as stated by Vaughan (1997) the non-risk taking is the recognition that there is no risk management measures that might reduce the risk

below the limit considered acceptable for the organization in economic terms. On the other hand, a strategy of risk reduction would aim to precisely limit the likelihood of occurrence of a loss event and the severity of the impact for the organization of those losses that might occur. Risk reduction can be conducted through prevention, meaning those activities that have the objective of preventing losses from occurrence and loss control, the efforts aimed at minimizing the severity of loss if it occurs (Vaughan 1997).

Fundamentally, risk financing takes the form of “retention” or “transfer/share”. Therefore, risk retention practices would consider the maintaining of the risk within the company. As mentioned by Vaughan (1997) this strategy would be recommended when the risk is considered negligible or when the adoption of real measures to reduce would not be considered affordable. The retention of risk is a viable alternative and could be convenient one from the cost-benefit point of view. As a consequence, the retention may be accompanied by specific budgetary or a fund to meet the deviation of expected losses (Vaughan 1997). Risk transfer strategy on the other side, would be related to the transfer of risk to a subject that would provide support in exchange of a premium. Sharing of the risks discovered with other organizations, through the establishment of a suitable agreement (e.g. public/private partnership).

Therefore, the organization should develop in terms of risk management is to identify all forms of risk to which it is exposed and to understand, for each of them, the optimal risk management strategy. Consequently, decisions on risk strategy need to be establishing on a strong risk identification and evaluation process, and on the prioritization of threats and opportunities.

2.4 Theories for Risk Management

Risk theory tries to explain the decisions people make when faced with uncertainty about the future. Situations in which risk theory can typically be applied include the number of possible states of the world, the number of possible decisions, and the consequences for each combination of states and decisions. This study has adopted three main theories, including Risk Management Theory, Stakeholder theory, and Agency theory.

Risk Management Theory

Risk management is the identification, evaluation and prioritization of risks, followed by coordinating and conserving resources, minimizing, monitoring and controlling the likelihood and/or impact of adverse events or to maximize the realization of opportunities (Wenk, 2005). Effective risk management can bring far-reaching benefits to all organizations, whether large or small, in the public or private sector (Ranong and Phuenngam, 2009). These benefits include, superior financial performance, better basis for strategy setting, improved service delivery, greater competitive advantage, increased likelihood of change initiative being achieved, closer internal focus on doing the right things properly, more efficient use of resources, reduced waste and fraud, and better value for money, improved innovation and better management of contingent and maintenance activities(Wenk, 2005).According to Dorfman (2007), an organization makes cost effective use of risk management first involves creating an approach built up of well-defined risk management practices and then embedding them. These risk management practices include identifying the risks; evaluating the risks; considering alternatives and selecting the risk treatment devices and the implementing, and reviewing risk.

The Stakeholder Theory

The stakeholder theory is a management theory that the purpose of any given entity is to create value for the stakeholders as initially proposed by Freeman (1994) and later supported by scholars including Miles (2017), Jones, Wicks, and Freeman (2017) as well as Berman and Johnson-Cramer (2019). This theory also envisages the equal sharing of costs while having the agency principle in transparency such that all players in the entity know and respect their position. Similarly, the theory aims to ensure that an entity should be lasting long enough to benefit stakeholders while having corrections in all projects as this enables auditing to be carried out while avoiding risky takes that chance-taking agents could carry out.

Stakeholder theory results out that mainly an entity is viable only if it produces value to the stakeholders. In other words, stakeholders do not need to remain as stakeholders if their entity does not add value to them as stakeholders. This implies that both the entity and the beneficiaries must have an interest in each other, or else there would occur opportunism in the running of the entity as well as in the participation of stakeholders. The stakeholder theory has been critiqued as having no

basis to involve the stakeholders since stakeholders have no obligation to participate in the entity's activities. Similarly, an entity can move away without necessarily being held accountable by the interested parties if there is a clear case of collapsed operations through lack of funding or force majeure, which refers to unavoidable circumstances like war, conflict and severe natural calamities (Jones et al., 2017). Another criticism of the stakeholder theory is that it tends to weaken the entity management team's responsibility by appearing to create another silent force of power in the stakeholders. This means the top management could connive with stakeholders to undermine the entity project for selfish means (Freeman, Phillips & Sisodia, 2020). The theory supports risk sharing strategy of the study since in a project, there is a need to have stakeholders' input in order to ascertain the usability or beneficial outputs from the project. Similarly, the tenets of the theory that calls for the interest of all stakeholders mean that the stakeholders could have a say in designing the risk reduction as well as risk avoidance since they are far more capable of understanding the positive and negative effects of the avoidance, reduction, and sharing practices. It is important that stakeholders are well informed of such practices in order to avoid audit queries in case of a project not performing to its maximum potential thus avoiding losses.

Agency Theory

As theory was originated by Ross (1976) and Mitnick (1976) but was mostly recognize through the works of Meckling and Jennings (1976). Agency theory is the key linkage of principals of a firm and the people selected or chosen to run the businesses for them in terms of managers or executives of the business. The agent is the management (or an employee) that performs tasks on behalf of the principal. Agency theory has a few criticisms, first, the theory assumes an inherent conflict between the interests of a firm's owners and its management as first observed by Fama and Jensen (1983) and by later scholars, including Dagnino Giachetti, La Rocca and Picone (2019). Moreover, it assumes that agents are risk averse, meaning that they do not take risky positions commonly while their timing preference is a function of their pay in one way or another. Furthermore, the theory mainly focuses on the agent, yet the principal may be the key problem by not supplying adequate resources or motivation for a specific project yet still expecting productivity from that set project (Panda & Leepsa, 2017). Finally, Mitnick (2019) observes in modern times;

agency theory might just not be focusing on the presumption that agents have a get-rich attitude. In focusing their studies over accountability issues, the need to involve agents when conducting evaluations in or international NGOs is necessary (Yuesti, Novitasari & Rustiarini, 2016). The agency theory prescribes that people or employees are held accountable in their tasks and responsibilities, but this might be not possible in many NGOs (Ning, 2018). This theory links explicitly to the study objective where the strategy if to study avoidance of risk as the need to have an agent managing a project on behalf of the principle clearly sticks out as an item of risk avoidance.

2.5 Organization Performance

Performance is the achievement of goals set by employers, the provision of services or the acceptance of products paid to customers, and leads to the survival, development, growth, and profit of the organization. Performance is a strategy associated with each activity in an organization, and its implementation depends on the organization, industry, and environment (Samsonowa, 2012). According to Camps and Luna (2012), the performance of an organization depends on the practice of the organization's high-performance business system. These practices certainly include risk management practices (Camps & Luna- Arocas, 2012).

A study by Crispim, Silva and Rego (2019) focused on a global survey to identify project risk management practices and their relationship with organisational maturity in project cycles, hence determining projects' performance. Using a two-step process involving interviews and global online questionnaire surveys, the Study sampled 865 respondents through clustering and factor analysis. The Study applied canonical regression, better known as multiple regression analysis, to produce results used in the findings. From the results, Crispim et al., (2019) established that each project's complexity and cycle times influenced the choice of risk management practices selected by each NGO to optimize their project performance.

Several studies have shown that there is a strong correlation between organizational performance and the implementation and application of risk management. Therefore, if risk management practices are implemented and implemented effectively, the overall performance of the organization will be improved. By propagating a risk management culture within an organization, managers can improve their organization's performance. Effective employees are the

cornerstone of business success, especially given the poor culture of worker organization.

2.6 Empirical Review

The study reviewed several empirical studies which were related to the variables under study. Several researchers have investigated risk management practices (risk avoidance, risk reduction, risk sharing, and risk retention) and organizational performance. Their findings and discussions are presented as follows.

2.6.1 Risk Avoidance and Performance

Mares (2019) studied in Cambridge UK focused on risk management methods in securing human rights. The study aimed to understand the prevention of human rights impacts through risk management approaches instead of standard management conventions. The desktop study covering the globe assesses three approaches to establish how management can change their risk avoidance strategy, without leaving the stakeholder vulnerable or unaware of the entities' operations' risks. The study concluded that to avoid negative impact on stakeholders, a clause including reduction at source or beginning of a project for the entity should be included. Mares recommended the increased clarity on this risk avoidance measure to have entities get well prepared for mitigation measures. Some organizations emphasize withdrawal from a project if an impending risk is too high for the mitigation measures to handle. Dandage, Mantha, Rane and Bhoola (2018) had studied the interaction of barriers in risk management projects. As an exploratory research study, the authors used global secondary data and extensive literature surveys ranging from 1995 to 2015.

The application of various modelling methods for risk management was tested in the study, including interactive structural modelling (ISM) as well as MICMAC analysis. In their findings and results, Dandage et al., (2018) suggested that risk avoidance is distorted through lack of top management support, inadequate training and failure to address cultural differences that could have helped in risk mitigation, thus necessitating risk avoidance. Their recommendations point to various risk management practices, including clarity of mission and goals, inculcation of risk management into the entity culture, early identification of risks, management and majority stakeholders' training on risk management. Whereas this study has focused

on structural modelling, the current Study will apply regression correlation in establishing the project performance at the selected NGOs in Nairobi City County.

2.6.2 Risk Reduction on Project Performance

Pertiwi, Llewellyn and Villeneuve (2019), in their study of people living with disabilities in Indonesia aimed to establish the importance of risk reduction actions by community organizations specifically the disabled people's organizations (DPOs). The study examined reports from three such DPOs in Indonesia based on disaster-preparedness projects that these organizations run through a multiple case design methodology. Results from the findings indicated that DPOs in Indonesia were on the frontline in risk-reduction strategy formation using the community despite constraints of structural barriers. Another finding was that DPOs led efforts in risk reduction efforts. In the final recommendations, Pertiwi et al., (2019) observed that more DPOs should be involved in disaster risk reduction planning and that mainstream stakeholders require full inculcation into disaster reduction programmes with increased participation and resource allocation. Although this study focused on projects, it mainly dealt with disabled people organization, while this current one has a mixed approach of all NGOs available in the sample within Nairobi City County.

Barquet and Cumiskey (2018) used a multi-criteria assessment methodology to assess the risk reduction measures in nine coastal cities from Europe. Their study aimed to establish a gap bridging measure between engineering and social science in disaster risk reduction measures. Barquet and Cumiskey incorporated stakeholder knowledge and their political as well as economic aspects in identifying the best approach for disaster risk reduction measures. In their methodology, the scholars integrated paper-based cards to interrogate the population in the disaster regions. The stakeholders used in the evaluation had an idea of preferred strategic alternatives to disaster risk reduction management. In their findings, Barquet and Cumiskey observed that stakeholder assessment and participation were key in planning disaster risk reduction measures. The study mainly focused on multi-criteria assessment, whereas the current study uses a single criterion to study the NGOs in Nairobi City County.

2.6.3 Risk Sharing on Project Performance

Risk sharing refers to as the spread of risks in a pre-calculated formula amongst various parties but normally between a firm and its insurance partners (Ghadge et al., 2017). In their study of Korean manufacturing industry projects, Um and Kim (2018) focus on the uncertainties of new product development, weighing on collaboration versus shared risk opportunism. The study operationalizes the project uncertainty using three sources. Um and Kim applied structural equation modelling (SEM) to analyse data collected through the Stata computer program. In their findings, Um and Kim observed that the higher the project's risk, the more likely chance of collaboration or opportunism. They also found that collaboration of risk served to spur project performance through hypothesis testing while opportunism acted as a barrier to project performance. This study took place in Korean, whereas the current one is contextualized in Kenya with a different methodology. In sharing of information, an entity enables the spread of risks with its partners or stakeholders. Ali, Musawir and Ali (2018) studied the impact of knowledge governance and sharing in Pakistan's project-based entities. The study aimed to establish a model for knowledge sharing applications in the project-based environment of Pakistan organisations.

Data was collected from 133 information technology and software entities using a cross-sectional survey. Partial least squares structural equation modelling (PLS-SEM) and asymmetric method were used to analyse the data to test their hypothesis. Their findings indicate that knowledge governance and sharing are key to the performance of projects. Ali et al., (2018) also recommended the inculcation of stakeholders in the knowledge sharing process to share risks in the project-based organisations (PBO).

2.6.4 Risk Retention on Project Performance

A study focusing on risk mitigation practices formation in energy-saving technology projects was finalised in Ukraine by Hilorme, Zamazii, Judina, Korolenko and Melnikova (2019). The study's purpose was to design a risk estimation model that would enable the retention of risk in energy-saving technology projects. The study's methodology involved qualitative and quantitative analysis to identify the positive practical consequences and the negative effects of retaining the risk by the project owners. Technical risks, financial risks, and procedural risks were found to have specific mitigations that enable risk retention through comprehensive contracts,

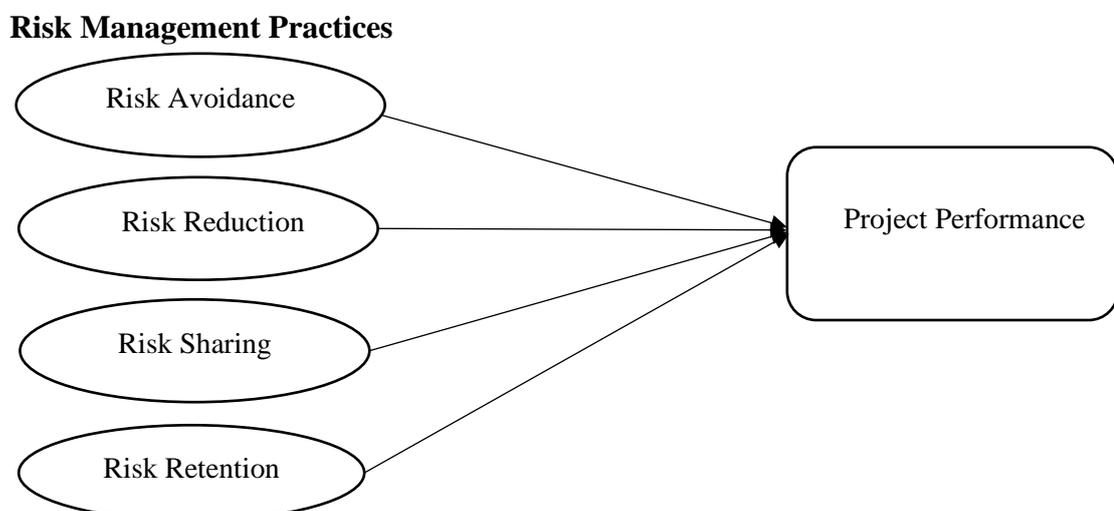
budgeting and counselling, and hiring an external consultant. Hilorme et al., (2019) recommend the formation of external consulting and subcontracting and outsourcing to human development specialists. Although this study is similar to the current one through methodologies, the focus was on technology projects while the current one is focused on projects across the board in the NGOs based in Nairobi City County.

Another study in Malaysia focused on car manufacturing projects. Fernando, Walters, Ismail, Seo and Kaimasu (2018) aimed to establish the relationship between project risk management, green supply chain and project productivity, and success. A total of 145 project managers from various automobile manufacturing entities were sampled using a structured questionnaire and data analysed through the SEM approach. In their findings, Fernando et al., (2018) established that project risk management and green supply chain management positively influenced project performance but not in equal measure. The study in Malaysia has focused on automobile industry projects, while this current one will aim to study all types of projects at the NGOs based in Nairobi City County.

2.6.5 Previous Study

Kamunya and Chege (2021) analyzed to link the performance of NGO projects to specific risk management practices based in Nairobi County. Theoretical anchor focused on the stakeholder theory, supported by the theory of resource-based view and agency theory.

Figure (2.3) Risk Management Practices and NGO Project Performance

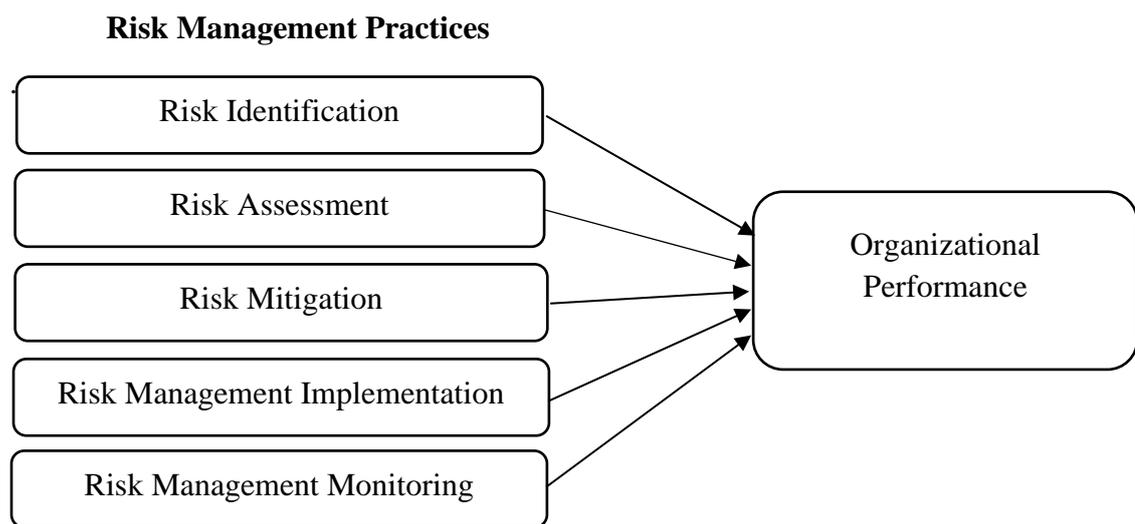


Source: Kamunya, J., & Chege, P. W. (2021).

Through regression analysis with a linear model result showed a strong relationship between risk management practices and project performance. The study concluded that performance success of projects is dependent on the careful choice or selection of risk management practices.

Jaber (2020) analyzed the impact of risk management practices on the organizational performance in insurance companies in the Hashemite Kingdom of Jordan, Jordan. In order to implement this study, data were collected from 120 managers who work in Jordanian insurance companies by the questionnaire.

Figure (2.4) Risk Management Practices on Organizational Performance



Source: Jaber, A. S. (2020).

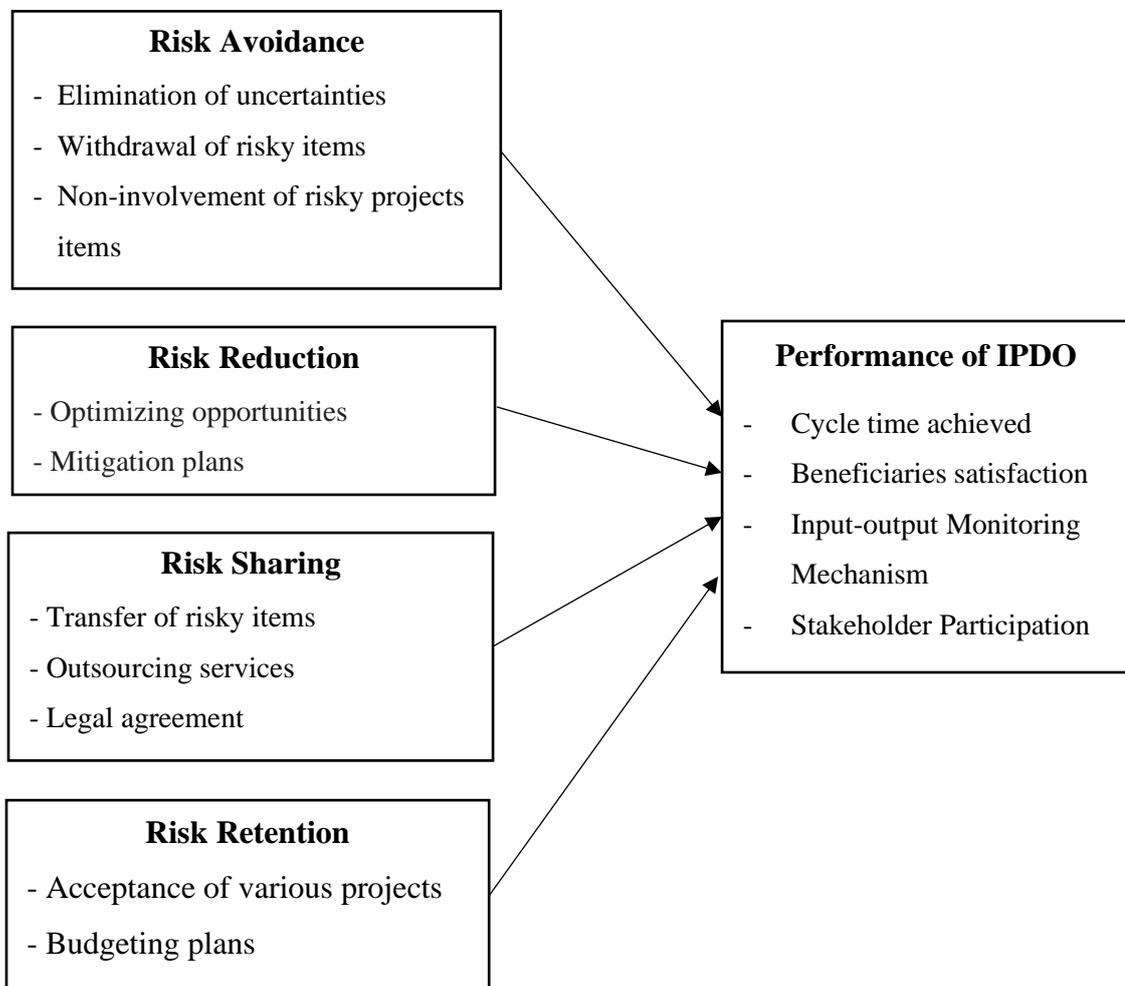
This study showed that most companies operate for a long time. Study showed that risk management practices impact organizational performance. Risk mitigation had the greatest impact on organizational performance, followed by risk identification, risk assessment, and risk control, and risk management implementation had the least impact. All risk management practices have a positive impact on organizational performance. The research recommended that insurance companies should take cost-effective measures to identify risks in a timely manner and effectively mitigate risks.

2.7 Conceptual Framework of the Study

Based on the literature review, the conceptual framework of this study is developed as follows:

Figure (2.5) Conceptual Framework of the Study

Risk Management Practices



Source: Own Compilation based on Kamunya, J., & Chege, P. W. (2021).

The conceptual framework of this study is adopted from Kamunya, J., & Chege, P. W. (2021). This study analyzes the affect Risk Management Practices on the Performance of IPDO.

Based on the literature, definition of risk management practices and project performance is defined.

Project Performance	Measuring the success or failure of a project through the cycle times, beneficiary's satisfaction, Input-Output monitoring mechanism and Stakeholders Participation
Risk Management	Refers to identity of, valuation, and setting priorities of risks for mitigation purposes to minimizes any negative impact such risks might have in the organization's future.
Risk Management Practices	Well identified and structured approaches applied in identifying and assessing as well as management of risks including avoidance, reduction, sharing and retention
Risk Avoidance	The technical assessment for the elimination of dangers or hazards that would otherwise trigger adverse effects of firm assets in their entirety
Risk Reduction	The calculation of forecast losses and then implementing or putting in place measures that would lessen the losses in case the risk happens to come true or real
Risk sharing	The distribution of forecast losses between two parties using a pre-arranged negotiable formula
Risk Retention	A bold move by any entity to take responsibility for a specific or share of a forecast risk without sharing or distributing.

(JOYCE KAMUNYA D53/CTY/38193/2016)

CHAPTER III

RISK MANAGEMENT PRACTICES OF IPDO

Chapter three includes the organization's background information, mission, vision and objectives, and practices of risk management in its internal and external operations.

3.1 Profile of IPDO

The nature of the work of the Indigenous Peoples Development Organization (IPDO) requires engaging with various stakeholders including governmental ministries, departments and officials at both local and national levels as well as civil society organizations and communities in Chin State in particular and Myanmar as a whole. Formed in 1995 as a Non-Government Organization, IPDO has come across risks and challenges from both internal and external factors. In order to address the risks identified, IPDO has come up with a set of practices in dealing issues related to both internal and external matters.

IPDO works to protect and promote human rights through monitoring, research, documentation, education and advocacy on behalf of indigenous Chin people and other oppressed and marginalized communities in Myanmar.

Primarily based in exile since its founding, IPDO has established an in-country presence since 2013, and has championed indigenous peoples' rights and freedom of religion or belief (FoRB) as two key thematic areas of focus in Myanmar. In working towards its objectives, IPDO monitors, documents and reports on the human rights situation, provides capacity building through human rights training and education to empower individuals and communities affected by rights abuses, and conducts policy advocacy to improve human rights protection frameworks at the local, national and international levels. At the same time, the organization has built and empowered a strong network of rights-based organizations from across the country, and established good working relationships and trust with local communities and governmental institutions at both the local and national levels.

IPDO organization is operation with the following vision, mission and objectives

Vision:

Meaningful social change and the full realization of the enjoyment of human rights where the equal dignity of all human beings is respected and upheld in a free, just and democratic society.

Mission:

To protect and promote human rights through monitoring, research, documentation, education and advocacy on behalf of indigenous Chin people and other oppressed and marginalized communities in Myanmar.

Objectives:

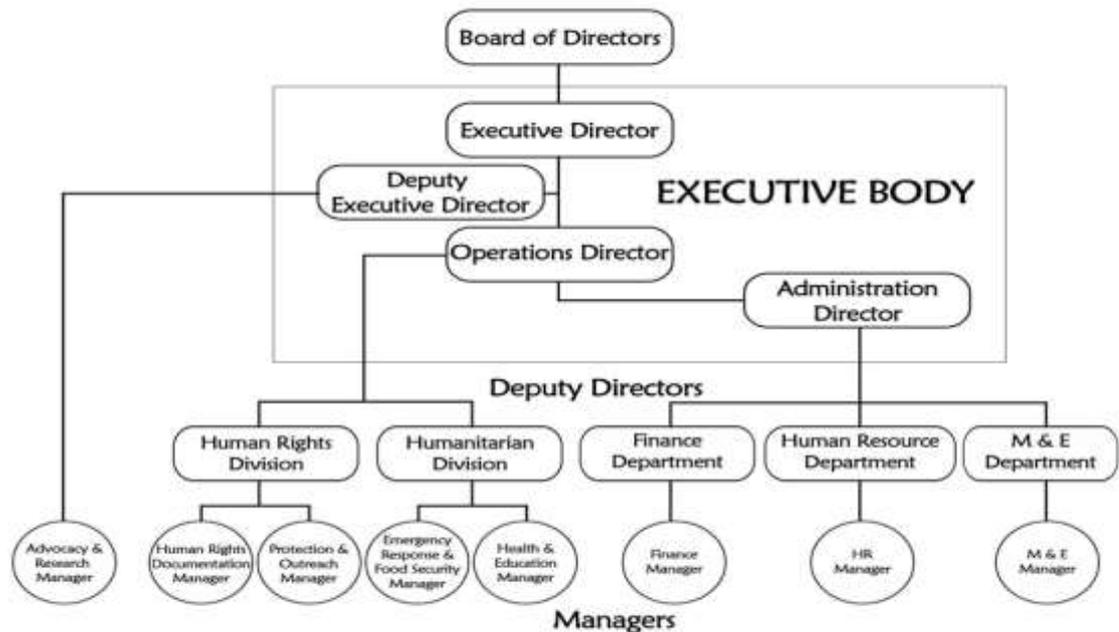
1. To provide accurate and reliable information about the human rights situation facing Chin and other marginalized communities in Myanmar
2. To protect and promote human rights and democratic principles
3. To empower people to defend and promote their human right

3.2 Organization Structure of IPDO

With regard to the organization structure shown in Figure (3.1), there are five departments; Human Rights Division, Humanitarian Division, Finance Department, Human Resource Department and Monitoring and Evaluation Department. Each department managers have the responsibility to report the Operations Director.

Under the Manager level, the respondents are officer-level Employee members who were experiencing risk issues as they were based and working in the projects. There shall be a board of directors of IPDO and they have the final authority on all matters. Organization structure of Indigenous Peoples Development is shown in Figure (3.1).

Figure (3.1) Organization Structure of IPDO



Source: Indigenous Peoples Development Organization (June 2022)

3.3 Risk Management Practices of IPDO

In order to identify the first objective, the following are ongoing efforts to address within the organization, the IPDO management team in consultation with the Board of Directors would issue guidance, procedures, policies and internal memos for the smooth operation with an aim of good risk management practices.

International non-governmental organizations (INGO) also face challenges in terms of safeguarding the physical well-being of those working with, and otherwise affected by, their programs, including, but not limited to, program beneficiaries, third-party partners, and INGO Employee. To mitigate these risks, INGOs have invested significant human and financial resources to establish internal risk management practices and other mitigating measures in order to operate in these challenging environments.

In general, IPDO has come across risks, in which the organization identifies all of the risks the organization may be exposed to, as well as their sources and causes, their potential consequences and areas of impact, and any risk management controls already in place

- Internal risks: This includes financial, administrative and human resources management within the organization.
- External risks: These include political, economic and social changes in its operating environment.

In order to address the risks and challenges, IPDO at least practices the following to find out more comprehensive ways of identifying the risks and finding possible solutions:

- one-to-one interviews
- organizing workshops and
- group discussion within the organization

Another method IPDO uses to identify existing risk management controls includes

- risk statement, and
- operational and management controls (eg. Policies, Procedures, Work manuals, Internal audit, Human resource management system, Recruitment polices, Reporting, Budgeting, Strategic planning process)

Currently, IPDO practices risk management practices as risk avoidance which is being aware of where risks exist and taking the best steps to take out the chance of encountering the risks, risk reduction: which is a measure undertaken to reduce the value loss, such as the financial losses incurred, and risk sharing: as the spread of risks in a pre-calculated formula amongst various parties but normally between a firm and its insurance partners and risk retention which is a calculated strategy of reserving funds to offset a risk when and if it occurs, a saving fund in the form of self-insurance with the possibility of covering many forecast risks for the entity.

(1) Risk Avoidance

This is one of the practices IPDO uses in an effort to mitigate risks it faces. Risk avoidance practices are used to safeguard as much risk as possible in case of occurrence. IPDO is aware that avoiding risk is to identify and understand where risks exist and taking the necessary steps to take out the chance of encountering the risks. In the risk avoidance practices, IPDO attempts to eliminate uncertainties, to withdraw risky items and issues, and to avoid participating and getting involved in risky projects items.

These practices involve moving of the organization into a new location for safety and security with all projects re-adjusted based on the emerging situations while employees who are not comfortable with the activities are given choices for their own decisions. Some projects involve more sensitive activities, which require Employee to reconsider their involvement. In addition, the organization's management team can decide to terminate some projects while some donors also can pull out projects if it is too risky to implement. However, the organization has the option where it can either choose or reject other organizations for partnership as it is not mandatory. The organization is also aware that it cannot carry out the implementation of planned activities if local partners are not comfortable in terms of risks and security concerns.

(2) Risk Reduction

Risk reduction is another risk management strategy of the organization, and it is carried out in order to reduce possible losses including financial, assets and other valuable items. IPDO uses the strategy to minimize the quantity of possible losses in the event of the incident happening in the future.

Risk optimization is one of the priorities IPDO sees as a way to mitigate risks. It is practiced in order to "minimize negative and maximize positive consequences and their respective probabilities". The organization bases its risk optimization process on risk criteria and analysis, including costs and legal requirements. All projects are expected to face risks but with a plan fixed with the best possible responding mechanism, including hiring of risk and security consultants to find solutions to address the issues, and, to some extent, putting aside contingency fund for emergency uses. The organization does not make attempts to solve risk issues on its own but with relevant partners in line with the local contexts where risks are occurring.

(3) Risk Sharing

Risk sharing plays an important role in solving issues facing IPDO as its projects are implemented in areas having different backgrounds from another. This sharing happens between IPDO and its community partners as they tend to have more knowledge of the local contexts in which risks are occurring and hence are able to handle more effectively with the inputs and support of IPDO. This set of measures

taken by IPDO includes sharing and transfer of risks, hiring or requesting external actors to take necessary action and insuring, to some extent.

Depending on its nature of work in collaboration with local civil society organizations, IPDO shares the handling of risks with its community partners. In order to perform this effectively, it monitors and categorically documents risks occurred before being transferred so that the parties involved can understand properly. It is often approached and sorted out with a risk-benefit analysis plan but is adjusted depending on the size and nature of risks happening. IPDO makes a plan in order to respond to both internal and external risks. When it comes to insuring Employee and property, it has some challenges as the insurance system at local levels are not in place. However, the organization takes its own initiatives to provide necessary support for any Employee who faces unexpected incidents in need of urgent help. IPDO is well aware of any possible environmental damage as part of its projects implemented. This is often planned in consultation with local communities concerned and experts involved in order to avoid damage.

(4) Risk Retention

Despite being small, IPDO sees risk retention as its calculated strategy of reserving funds to respond to a risk when and if it happens. This is sometimes a challenge as some donors do not allow an allocation of budget for risk detention. Instead, IPDO takes a different approach in securing possible support for Employee or projects in the event of risks occurring in order to cover forecast risks. This is not transferred to its partners or local community organizations but IPDO sees this as its own responsibility.

Risk retention is another tool IPDO uses to solve risks. This takes place after all risks are recorded, classified, ranked, measured and prioritized based on their nature and possible consequences as IPDO expects all projects and activities to have risks - whether small or big. Some projects are allowed a budget for risks while other donors do not give permission for risk budgeting. But consideration and plans, if possible, are made for each project. Generally, Employee are informed of project's details including possible risks and are given choices to make their own decision whether to leave or stay. In order to respond more effectively to risks, which are checked against its risk tolerance and existing procedures, IPDO collaborates with local community partners or organizations.

3.4 Performance of IPDO

IPDO prioritizes risk management issues in project planning as this could be the surest way of avoiding total loss in case of failure or that risk coming to pass. Initial project risk management practices, including avoidance and reduction practices, are properly taken into proper consideration with strict calculations with forecasts to aid in mitigation processes.

As far as the IPDO is concerned, the weak and irregular process of reinforcing plans and procedures had impacted in the past where it had to partially terminate a project on the promotion of environmental awareness for the ethnic minorities in Myanmar. However, new policies and development practices developed from past experiences have now helped IPDO to increase its performance level when it comes to handling risks.

Operating a risky environment in Myanmar, IPDO makes every effort into fully identifying and understanding the underlying drivers of risk and fraudulent activities and behaviors. Based on its analysis on the risks identified, IPDO takes necessary steps based on the above-shown graph having risk management practices: risk avoidance, risk sharing, risk reduction and risk retention.

Based on the practices of these four risk management practices, IPDO reviewed its performances through lessons learned, and adopted new approaches. By judging and evaluating the results of these practices, IPDO consulted and involved relevant stakeholders including communities, discussed its risks at the initial stage of new projects, made plans which involved possible risks expected, and considered the good-quality deliveries of projects which would meet the needs of beneficiaries. Based on the risks expected, some projects have contingency budgets for emergency use. All of these steps had helped the organization to mitigate risks and improve its performance against input/output targets.

This study aims to receive insights of issues affecting the performance and practices of risk management practices of the organization, to put forwards necessary steps in filling the gaps, and to strengthen the achievement of projects' performance. The next chapter (4) will present the analysis and the result of the findings as to extent the four risks management practices of IPDO.

CHAPTER IV

EFFECT OF RISK MANAGEMENT PRACTICES ON PERFORMANCE OF INDIGENOUS PEOPLES DEVELOPMENT ORGANIZATION

The main purpose of this chapter is to analyze the effect of risk management practices on the performance of Indigenous Peoples Development Program. The detail steps of the analysis and the results are explained.

4.1 Research Design

The main objective of this study is to analyze the effect of risk management practices on the performance of IPDO. In order to carry out the objectives, this study used primary data collection method to obtain whether risk management practices of IPDO are impacts on performance of IPDO's project. Hence, this study uses quantitative research method to find answers to the study's questions while gaining new information and challenges relating to IPDO's risk management practices.

In order to analyze the effect of risk management practices on the performance of IPDO, this study uses descriptive research method. As a tool of research instrument, structured questionnaire is used to obtain data. Then, were put into Google Form and the survey questionnaires are distributed to IPDO's 70 employees that is 30% of IPDO's through Google links via Emails, Viber and Facebook Messenger. The study adapts the questionnaire from various past studies related to the topic.

The questionnaire mainly used Likert scale measurement for all the variables. The question is organized into three parts: Part 1 consists of respondents' demographic data, Part 2 consists of IPDO's risk management practices and part 3 consists of performance of IPDO. A 5-point Likert scale has been used in three of those sections to measure the risk management practices on performance of IPDO.

The sample size for this study is 70 employees using simple random sampling method to obtain the information. After collecting the desired data, the processed data are further analyzed by SPSS. With descriptive analysis, this study will include frequency, percentage and inferential analysis such as correlation coefficient and multiple linear regression analysis.

4.2 Demographic Profile of Respondents

This section includes profiles of the respondents such gender, age, educational level, working experience.

Table (4.1) Demographic Profile of Respondents

	Description	Frequency	Percentage
Gender	Male Total	40	57.10
	Female Total	30	42.90
Age (Years)	21 – 30	7	10.00
	31 – 40	38	54.29
	41 – 50	20	28.57
	51 and above	5	7.14
Education	High School	5	7.14
	Bachelor	50	71.43
	Diploma	4	5.71
	Master	11	15.72
Experience Years	Less than 1 year	14	20
	1 – 6 years	52	74.29
	6 – 10 years	4	5.71
Projects Implemented by IPDO	Capacity development and awareness training	5	7
	Humanitarian Support (Cash and food items, educational materials, hygiene, protection and psychosocial)	25	35
	Environment conservation awareness and Land use policy training	20	29
	COVID-19 prevention and protection support materials	20	29

Source: SPSS Results (2022)

Table (4.1) shows that the gender of the respondents in selected respondents; male 57.1% and female 43.9%. Thus, the male respondents are more dominance than the females. The 10%, 54.29%, 28.57% and 7.14% of respondents are within the age range of 21-30 years, 31-40 years, 41-50 years and 51 and above respectively. This indicates clearly that there is a skilled and mature workforce capable of including most of active and young entrepreneur to follow and upgrade the instructions from the above and to support organizational performance. Education level of respondents are divided into 4 categories: High school, Bachelor's degree, diploma and master degree. It is found that 7.14% of respondents are high school, 71.43% of respondents are bachelor's degree holder, 5.71% of respondents are diploma holder and only 15.72% are hold of master degree. Thus, the majority percentage in bachelor's degree of education level indicates that the organization more prefer to hire highly qualified people with technical skills to promote the organizational performance.

According to the result, 20% of the respondents have less than 1-year experience, 74.29% have 1-6 years and 5.71% have 6-10 years' experience. This is the sign of an experienced and highly skilled employee who can make informed decisions based on their accumulated experience and best practices.

There are (70) respondents under the projects implemented by IDPO. It is found that Humanitarian Support (Cash and food items, educational materials, hygiene, protection and psychosocial) project Employees are the largest respondents.

4.3 Reliability Analysis of the Variables

Whenever a scale consists of more than one item, it is important to measure how much they are internally consistent. Reliability and validity are important in quantitative research (Brown and Warren, 2009). Testing of the reliability of the scale is very much important as it shows the extent to which a scale produces consistent result if measurements were made repeatedly and Cronbach's alpha is the most widely used methods (Absar et al., 2010). Based on the pilot data, the reliability among variables was checked with the Cronbach's alpha. Cronbach's alpha values near to zero indicate low reliability while the values close to one indicate high reliability. Although there is no cutoff value for how close to one is high reliability, it is commonly accepted, and especially for academic purpose that Cronbach's alpha value above 0.70 is acceptable.

Table (4.2) Reliability of the Variables

Sr. No.	Variables	Items	Cronbach Alpha
1	Risk Avoidance	9	0.798
2	Risk Reduction	6	0.829
3	Risk Retention	6	0.811
4	Risk Sharing	9	0.809
5	Performance	12	0.864

Source: Survey Data (2022)

According to the results, the Cronbach alpha for risk avoidance was 0.798, risk reduction registered a Cronbach alpha of 0.829, risk retention was 0.811 and risk sharing was 0.809. Finally, the Cronbach alpha level for performance of IPDO was 0.864. The Cronbach alpha value for all the variables is above 0.70. Thus, these results reveal that internal consistency of all items is acceptable.

4.4 Analysis of Employee Perception on Risk Management Practices and Performance of IPDO

Risk management practices include four factors that are risk avoidance, risk reduction, risk sharing and risk retention. Although this study only focus on risk treatment and implementation stage of risk management process, Employee perception on the risk identification and risk evaluation which are the first and second stage of risk management process are also analyzed. This study prepared structured questionnaire and asked to the Employee who are currently working at IPDO. The questions are based on the five-point Likert Scale. Respondents were asked the questions about these factors and responses are presented as follows.

- Average mean score between 1.00 and 1.80 Very Low.
- Average means score between 1.81 and 2.60 Low.
- Average means score between 2.61 and 3.40 Moderate.
- Average means score between 3.41 and 4.20 High.
- Average mean score between 4.21 and 5.00 Very High.

4.4.1 Employee Perception on Risk Avoidance

In this study, Employee perception on risk avoidance was measured with nine items. The mean values for each statement and the overall mean value are presented in Table (4.3).

Table (4.3) Employee Perception on Risk Avoidance

No.	Statement	Mean	Std. Deviation
1	The organization can move work to new location for safety	3.76	1.055
2	Any employee not comfortable on a project is substituted	2.87	1.307
3	Risky parts of a project are avoided in this organization	3.76	1.055
4	There is provision to leave a project if it is too risky to run	2.87	1.307
5	Head office can terminate a specific part of a project	3.81	1.133
6	Donors can pull out of project if deemed risky	3.76	1.055
7	Donors can decide not to participate even when budget is ready	2.87	1.307
8	Joint projects with other NGOs are not mandatory	3.66	1.089
9	In case of stakeholder outcry, organization can fail to get project	3.46	1.099
	Overall Mean	3.42	

Source: Survey Data (2022)

According to the Table (4.3), the highest score level of Employees in risk avoidance is that head office can terminate a specific part of a project which mean values is 3.81. On the other hand, the lowest score level of any employee not comfortable on a project is substituted, provision to leave a project if it is too risky to

run and donors can decide not to participate even when budget is ready are neutral level that they are not control under the management which mean values are 2.87. The overall mean values of Employee perception on risk Avoidance are 3.42. Accordingly, the overall mean represents the agreement level. Risk avoidance is counterproductive and could lead to underperforming projects as the management is focused on specific paths away from the natural flow.

4.4.2 Employee Perception on Risk Reduction

In this research, Employee perception on risk reduction was measured with six items. The mean values for each statement and the overall mean value are presented in Table (4.4).

Table (4.4) Employee Perception on Risk Reduction

No.	Statement	Mean	Std. Deviation
1	There is a system in place to minimize negative effect of risk	3.61	1.120
2	The organization sets up measures to improve positives in risk	3.84	.973
3	All projects have a cushion measure to anticipate risk	3.84	1.058
4	There is a plan fixed for responding to all project risks	3.69	1.084
5	There is a provision to hire risk consultants	3.84	1.211
6	Emergency funds for the project are well-budgeted for	3.11	1.161
	Overall Mean	3.66	

Source: Survey Data (2022)

According to the Table (4.4), the highest score level of Employees in risk reduction are organization sets up measures to improve positives in risk, all projects have a cushion measure to anticipate risk which mean value is 3.84. On the other hand, the lowest score level of emergency funds for the project are well-budgeted for which mean value is 3.11. The overall mean value of all Employee perception on risk

reduction is 3.66. Accordingly, the overall mean represents the agreement level. It is observed that there are projects that can be productive from the beginning if risks are minimized or reduced. There is no way any project can go through the life cycle without some risks, hence the need for risk reduction. Additionally, risk reduction can be a conduit of diverting project funds and has to be carefully applied calling for application of agency theory together with stakeholder theory.

4.4.3 Employee Perception on Risk Sharing

In this research paper, Employee perception on risk sharing was measured with nine items. The mean values for each statement and the overall mean value are presented in Table (4.5).

Table (4.5) Employee Perception on Risk Sharing

No.	Statement	Mean	Std. Deviation
1	The organization is in partnership with others for risk handling	3.54	1.086
2	All project risks are carefully documented before any transfer	3.81	.982
3	Parties in risk transfer understand the project risks fully	3.73	1.076
4	The organization has a risk-benefit analysis plan	3.84	.911
5	The organization correctly outsources project risks	3.67	1.003
6	There is a plan for internal and external risk market ability	3.86	.952
7	The community is involved on security risky project tasks	3.76	1.055
8	Project vehicles and Employee are insured against damage	2.87	1.307
9	Environmental damage by organization projects is insured	2.90	1.320
	Overall Mean		3.55

Source: Survey Data (2022)

According to the Table (4.5), the highest score level of Employee in risk sharing is that there is a plan for internal and external risk market ability which mean value is 3.86. On the other hand, the lowest score level of project vehicles and Employee are insured against damage which mean value are 2.87. The overall mean value of Employee perception on risk sharing is 3.55. Accordingly, the overall mean represents the agreement level. Sharing of risks was paramount in success of projects with emphasis of the stakeholder theory in place.

4.4.4 Employee Perception on Risk Retention

In this research paper, Employee perception on risk retention was measured with six items. The mean values for each statement and the overall mean value are presented in Table (4.6).

Table (4.6) Employee Perception on Risk Retention

No	Statement	Mean	Std. Deviation
1	The organization classifies all risks in the project	3.76	1.013
2	There is provision for measuring all current and expected risks	3.81	.997
3	The organization always anticipates a project to have risks	4.07	.857
4	There is a strong budget plan for every project risk	2.99	1.313
5	Every budget contains risks for the project	2.74	1.212
6	Donors always insist on project risk items in project budgets	3.24	1.197
	Overall Mean		3.43

Source: Survey Data (2022)

According to the Table (4.6), the highest score level of Employee in risk retention is that the organization always anticipates a project to have risks which mean value is 4.07. On the other hand, the lowest score level of every budget contains risks for the project which mean value is 2.74. The overall mean value of Employee perception on Risk Retention is 3.43. Accordingly, the overall mean represents the

agreement level. Agency theory plays a big role as managers minimize the number of stakeholders that can be involved in decision making on what risks to retain.

4.4.5 Employee Perception on Performance

In this research paper, Employee perception on performance was measured with nine items. The mean values for each statement and the overall mean value are presented in Table (4.7).

Table (4.7) Employee Perception on Performance

No	Statement	Mean	Std. Deviation
1	Projects risks are discussed at initiation of projects	4.14	.785
2	All planning of projects involves identification of risks	4.17	.900
3	Risks at project implementation are well mitigated	4.03	.884
4	Donors insist on identifying the risks to project beneficiaries	3.76	1.055
5	The government has a watchdog for project beneficiary risks	3.16	1.163
6	Contingency funds are availed for beneficiary project risks	3.14	1.289
7	The project has input output check box	3.84	.942
8	Every activity is matched at every stage from input to output	3.91	.913
9	Any stuttering step cannot delay project progress	3.63	.951
10	Stakeholders are invited at project inception	3.67	1.003
11	Projects are reviewed together with stakeholders	3.86	.952
12	Stakeholders strengthen project completion rate	3.76	1.055
	Overall Mean		3.76

Source: Survey Data (2022)

According to the Table (4.7), the highest score level of employee performance is that all planning of projects involves identification of risks which mean value is 4.17. On the other hand, the lowest score level of contingency funds availed for beneficiary project risks is 3.14. The overall mean value of Employee perception on performance is 3.76. Accordingly, the overall mean represents the agreement level.

4.4.6 Employee Perceptions on Overall Variables

Employee perceptions on the overall mean values of risk management practices: risk avoidance, risk reduction, risk sharing and risk retention and performance are presented in Table (4.8).

Table (4.8) Employee Perception on Overall Variables

No	Item	Employee Perception (Means)
1	Risk Avoidance	3.42
2	Risk Reduction	3.66
3	Risk Sharing	3.55
4	Risk Retention	3.43

Source: Survey Data (2022)

According to the Table (4.8), it is found that risk reduction is the most important factor with the largest mean value of 3.66. On the other hand, the risk avoidance had the lowest mean value of 3.42.

4.5 The Relationship of Risk Management Practices and Performance of IPDO

The correlation of the independent variables (risk avoidance, risk reduction, risk sharing, risk retention) were tested to show their correlation with dependent variable (performance). The results of the correlations of the measured variables are show in Table (4.15). Correlation is the statistical technique that can show whether and how strongly pairs of the variables are related. Correlation coefficient ranges from -1.0 to +1.0. If the value of positive, it means that as one variable get larger, other gets larger. If value is negative, it means that as one variable gets larger, the other gets smaller.

Table (4.9) The Relationship between Risk Management Practices and Performance of IPDO

Sr. No.	Description	Person Correlation Coefficient	P-value
1	Risk Avoidance	.681 **	.000
2	Risk Reduction	.531 **	.000
3	Risk Sharing	.736 **	.000
4	Risk Retention	.621 **	.000

Source: Survey Data (2022)

Dependent Variable: Performance

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

According to the results, the risk management practices have the positive correlation with the performance at 0.01 levels (2-tailed) (0.681, 0.531, 0.736 and 0.621). The careful management of risks provided by IPDO, the higher the level of performance can be achieved. Among the risk management factors, risk sharing practices had the strongest correlation with the performance of IPDO.

4.6 Multiple Regression Analysis on the Effect of Risk Management Practices on Performance of IPDO

Multiple regression analysis was conducted to the test the proposed objectives of the effect of risk management practices (risk avoidance, risk reduction, risk sharing and risk retention) on performance. The results of multiple regression analysis were show in Table (4.10)

Table (4.10) Multiple Regression Analysis on the Effect of Risk Management Practices on Performance of IPDO

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.949	.278	-	3.411	.001
Risk Avoidance	.140	.110	.159	1.272	.208
Risk Reduction	.041	.077	.052	.531	.597
Risk Sharing	.418	.114	.451	3.659	.001
Risk Retention	.201	.082	.253	2.460	.017
R Square				.625	
Adjusted R ²				.602	

Source: Survey Data (2022)

P < 0.01: Dependent Variable: Performance

** Significant at the 0.01 level (2-tailed)

* Significant at the 0.05 level (2-tailed)

Multiple regression analysis was conducted to test the proposed objectives of the relationship between risk management practices and performance. The multiple regression result of risk management practices and performance is shown in Table (4.10). The results of the multiple regression analysis provided that among the risk management practices (risk sharing and risk retention) were positive and significant relationship with performance. (B = 0.418, t= 3.659, p< 0.05), (B = 0.201, t= 2.460, p<0.01).

According to the multiple regression results, if the organization had not provided the risk management practices (risk avoidance, risk reduction, risk sharing and risk retention), the amount of performance is 0.949. One additional unit increases in risk avoidance will increase performance by 0.140 units. One additional unit increases in risk reduction will increase performance by 0.041 units. One additional unit increases in risk sharing will increase performance by 0.418 units. One additional unit increases in risk retention will increase performance by 0.201 units.

However, among the risk management practices, risk sharing and risk retention had supported to increase performance. The other two risk management practices risk avoidance and risk reduction did not show any significant effect on

performance. According to the results, among the risk management practices, risk sharing is the most significant factor to increase the performance. The positive effect of risk sharing can provide the benefits for IPDO to increase the performance for the future success of the organization. In addition, risk reduction also plays the significant role to increase the performance of IPDO. The results of data analysis clearly indicate that risk management practices have a positive association with performance.

CHAPTER V

CONCLUSION

This chapter is the conclusion which is discussed based on the results of the statistical analysis. This study analyzed the effect of risk management practices on the performance of IPDO. According to the results of the analysis, this chapter provides findings and discussions, suggestions and recommendations for responsible persons of IPDO to emphasize the importance of risk management practices to improvement performance. Additionally, the limitations and needs for further studies were also explore in this study.

5.1 Findings and Discussion

The results of this study support the importance of risk management practice variables in improving IPDO performance. Survey data shows that there are more male respondents than female respondents in the gender groups. The age group is mainly 31 to 40 years. This type of age group is strong and mature enough to work, making it an effective workforce. Most of the respondents are graduates. Experience has shown that the majority of those surveyed have been with the IPDO for between one and six years. The survey revealed that there are many projects implemented by IPDO and most of the respondents are from Tweet projects.

The objective one of this survey is to identify the IPDO's risk management practices. Employee perceptions of risk management practices (risk avoidance, risk reduction, risk sharing, and risk retention) were measured using a 5-point Likert scale. The lowest mean value is risk aversion and the highest mean value is risk reduction. Overall averages for all variables indicated respondents' agreement. This means that the respondent supports IPDO's risk management practices and believes these practices are critical to increase IPDO's performance.

Furthermore, the correlation results show that risk avoidance, risk reduction, risk sharing, and risk preservation are strongly and positively correlated with IPDO performance. The more focus is placed on risk management practices, the better performance of IPDOs can achieve. The results clearly showed that risk management practices are important performance variables in terms of organization success.

For study objective two, a multiple regression analysis was conducted to test the impact of risk management practices on IPDO performance. A positive relationship has been found between risk management practices and performance. Given the two positive impacts of risk management practices (risk sharing and risk retention) on performance, two factors were concluded to be essential to achieving IPDO performance. Findings indicate that the risk sharing practices was widely used. This practice has been particularly popular when stakeholders are highly involved and to some extent attractive to participate in many projects. It was also found that the practice of risk retention was common as project managers sought to take full control of the project. This somewhat minimized the potential for interference from interest groups and competing projects within the project field.

Therefore, the study concludes that the application or implementation of risk management practices improved performance. For study model on performance indicates that noise levels are high in the NGO project sector, indicating that there are many factors that influence the performance of these projects. However, the study also found that not all practices have the same positive impact on performance of projects, and that project managers should carefully consider their options by involving as many stakeholders as possible. In other cases, the study concludes, some practices are most effective when as few stakeholders are involved as possible, as they also serve as risk sharing and risk retention.

5.2 Suggestion and Recommendations

This study examines IPDO risk management practices and tests the impact of IPDO risk management practices. The mean value of risk management practices indicated that risk mitigation was the most important driver of performance. These factors successfully create risk management practices through risk avoidance, risk mitigation, risk sharing and risk retention. Therefore, IPDO should focus on risk management practices for improving performance.

Multiple regression analysis results showed that risk management practices (risk sharing and risk retention) were significantly related to IPDO performance. Multiple regression analysis shows that risk sharing contributes the most to performance. Risk retention is her second key factor for improving performance. It is suggested that risk management practices should be an important and effective practice of an organization.

This has required organizations to take additional steps to ensure that their risk management practices and procedures are shared, directed, adhered to and evaluated. As new developments in policies and guidelines take shape within the organization, IPDO needs to improve their risk management practices and respond in line with the local contexts where they occur.

In general, the connections between the various steps of an organization's risk management practices have led to a more effective and efficient understanding of the value of implementing risk management practices and services. However, organizations should regularly review the gaps, challenges and new requirements related to risk management practices and the impact on IPDO performance to address Myanmar's ever-changing environment.

It is recommended that project managers should ensure that risk management practices are integrated into project implementation. Most of the practices were in place but not used effectively to ensure the best performance. In particular, the recommendations he divided into two parts, including recommendations for improvement and those aimed at further exploration of project performance and the research knowledge base. Given all the risks, it is suggested that NGOs seek full advice whenever launching a project.

Therefore, before implementing a project, not only the NGO but also the proponent of the project should have appropriate consultations. A good feasibility study is required to demonstrate all the risks associated with a particular project. This means that NGOs should make every effort to provide reports showing all mitigation measures for all foreseeable risks. Once such mitigation plans have been identified, risk management practices can be applied.

The resulting recommendations will play a role in making positive contributions to the body of knowledge in many areas. The first is that the theory involving agency and stakeholder needs to be reformed with clauses that tell when it should and shouldn't be used. Second, not all risk management practices work, and their application needs to be combined with careful examination of new facts from project performance that may help develop a project-based theory of success.

5.3 Limitation and Need for further Research

This study mainly analyzed the impact of risk management practices on performance. This research focuses only on the implementation stage of the risk management process and the IPDO people. This study has some time, cost, and data limitations. Some respondents may have confused questions and answers, and some provided incorrect information and answers.

Current research recommends further consideration of this topic, as no single study can claim to contain all the facts and findings. Further research should highlight the limitations of this study in analyzing the impact of risk management practices on performance, focusing on additional factors not considered in this study. Additionally, further studies with larger sample sizes are being considered. Future scholars should explore what other methods are best suited for successful project performance. Similarly, other scholars may further investigate project performance at other units, such as specific county or rural and city projects.

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Appendix

Questionnaire

Dear Respondent,

This questionnaire is meant to collect data regarding the **EFFECT OF RISK MANAGEMENT PRACTICES ON PERFORMANCE OF IPDO**. The whole exercise is treated with utmost confidentiality strictly as stipulated in all academic instructions. Kindly respond to each item as truthfully and accurately as you can. Thank you.

SECTION A: GENERAL INFORMATION

1. Title of Project

2. Gender:

Male

Female

3. Age:

21 - 30 years

31 - 40 years

41 - 50 years

51 and above

4. Educational level:

High

Bachelor

Diploma

Master

5. Years in present job:

Less than 1 year

1 _ 6 years

6 _ 10 years

SECTION B: RISK MANAGEMENT STRATEGIES

- 1) In this section, kindly indicate statements that relate to an extent relating strategies of risk and performance of projects. On a scale of 1 to 5 indicated as 1 Strongly Disagree, 2 Disagree, 3 = Neutral, 4 Agree, 5 Strongly Agree, please kindly respond by marking the item that matches your opinion using a tick (✓) or cross mark (X). Each row can only have one tick or mark.

1. Risk Avoidance

Elimination					
The organization can move work to new location for safety	1	2	3	4	5
Any employee not comfortable on a project is substituted	1	2	3	4	5
Risky parts of a project are avoided in this organization	1	2	3	4	5
Withdrawal					
There is provision to leave a project if it is too risky to run	1	2	3	4	5
Head office can terminate a specific part of a project	1	2	3	4	5
Donors can pull out of project if deemed risky	1	2	3	4	5
Non-Involvement					
Donors can decide not to participate even when budget is ready	1	2	3	4	5
Joint projects with other NGOs are not mandatory	1	2	3	4	5
In case of stakeholder outcry, organization can fail to get project	1	2	3	4	5

2. Risk Reduction

Optimization					
There is a system in place to minimize negative effect of risk	1	2	3	4	5
The organization sets up measures to improve positives in risk	1	2	3	4	5
All projects have a cushion measure to anticipate risk	1	2	3	4	5
Mitigation					
There is a plan fixed for responding to all project risks	1	2	3	4	5
There is a provision to hire risk consultants	1	2	3	4	5
Emergency funds for the project are well-budgeted for	1	2	3	4	5

3. Risk Sharing

Transfer					
The organization is in partnership with others for risk handling	1	2	3	4	5
All project risks are carefully documented before any transfer	1	2	3	4	5
Parties in risk transfer understand the project risks fully	1	2	3	4	5
Outsourcing					
The organization has a risk-benefit analysis plan	1	2	3	4	5
The organization correctly outsources project risks	1	2	3	4	5
There is a plan for internal and external risk market ability	1	2	3	4	5
Insuring					
The community is involved on security risky project tasks	1	2	3	4	5
Project vehicles and Employee are insured against damage	1	2	3	4	5
Environmental damage by organization projects is insured	1	2	3		

4. Risk Retention

Acceptance					
The organization classifies all risks in the project	1	2	3	4	5
There is provision for measuring all current and expected risks	1	2	3	4	5
The organization always anticipates a project to have risks	1	2	3	4	5
Budgeting					
There is a strong budget plan for every project risk	1	2	3	4	5
Every budget contains risks for the project	1	2	3	4	5
Donors always insist on project risk items in project budgets	1	2	3	4	5

SECTION C: PROJECT EFFECTIVE PERFORMANCE

5) In this section, relate the performance of projects and the associated measures. On a scale of 1 to 5 indicated as 1 Strongly Disagree, 2 Disagree, 3 = Neutral, 4 Agree, 5 Strongly Agree, please kindly respond by marking the item that matches your opinion using a tick (√) or cross mark (x). Each row can only have one tick or mark.

Cycle Time					
Projects risks are discussed at initiation of projects	1	2	3	4	5
All planning of projects involves identification of risks	1	2	3	4	5
Risks at project implementation are well mitigated	1	2	3	4	5
Beneficiaries Satisfaction					
Donors insist on identifying the risks to project beneficiaries	1	2	3	4	5
The government has a watchdog for project beneficiary risks	1	2	3	4	5
Contingency funds are availed for beneficiary project risks	1	2	3	4	5
Input Output Monitoring Mechanism					
The project has input output check box	1	2	3	4	5
Every activity is matched at every stage from input to output	1	2	3	4	5
Any stuttering step cannot delay project progress	1	2	3	4	5
Stakeholder Participation					
Stakeholders are invited at project inception	1	2	3	4	5
Projects are reviewed together with stakeholders	1	2	3	4	5
Stakeholders strengthen project completion rate	1	2	3	4	5

6) Kindly comment of the overall performance of projects as handled by IPDO.

Thank you for the confidential participation.