ADDIS ABABA UNIVERSITY COLLEGE OF BUSSINESS AND ECONOMICS SCHOOL OF COMMERCE

POSTGRADUATE PROGRAM

ASSESSING RISK MANAGEMENT PRACTICES AND ITS EFFECT ON FINANCIAL SUSTAINABILITY: THE CASE OF WORLD VISION

By Hawi Belete

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APPROVED BY THE BOARD OF EXAMINERS

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Declaration

I here by declare that this research paper is the result of my original work and that all the sources used have been duly acknowledged. The data, findings, and interpretations presented in this paper are based on my research and analysis, and I have followed ethical guidelines in conducting this study. I acknowledge that any external sources used in this paper have been appropriately cited and referenced, following the academic standards and procedures. Furthermore, I confirm this research paper has not been submitted for publication, presentation, or examination in any other intellectual or professional setting.

Hawi Belete

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Date_____

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Acronyms

CSO: civil society organizations

PMBOK: Project Management Body of Knowledge

PMI: Project Management Institute

RMP: Risk Management Plan

WVE: World Vision Ethiopia

Abstract

Effective risk management practices are crucial for all organizations, as the primary objective of management is to maximize potential gains while factoring in potential volatility. In order for an organization to maintain sustainability, it is imperative to comprehend the link between financial sustainability and risk management practices, as the longevity and functioning of the organization depend on it. The objective of this research is to evaluate the risk management practices employed by World Vision Ethiopia, international CSO and their impact on its financial sustainability. A semi-structured questionnaire was distributed to 30 participants, and 27 responses were obtained. Additionally, two senior members of the project and organization were interviewed in detail. The collected data was analyzed using SPSS. Descriptive data analysis, including frequency, mean, standard deviation, and percentage calculations were conducted. The Relative Index analysis was also employed to explore the relationship between financial sustainability and risk management practices. The results showed that careful planning is crucial for effective risk management, and all participants demonstrated knowledge of risk management practices. Security risks were identified as the most significant concern for the project, with document review, expert judgment, and checklist analysis being the most commonly used techniques for identifying risks. Risk probability and impact assessment was the primary tool used for risk analysis. The study found that risk management practices significantly impact financial sustainability, with organizations relying on various risk detection tools, internal and external audits, technology, and top management support. Implementation of enterprise risk management has aided in detecting fraud and ensuring compliance with regulations. Therefore, it is recommended that World Vision Ethiopia prioritize risk planning and operational risk management, involve all stakeholders in risk identification, develop fallback plans, and evaluate risk management effectiveness, and increase awareness and expertise in financial risk management. The study provides direction for future research.

Key words: Project Risk Management, financial sustainability, World Vision Ethiopia, civil society organization

CHAPTER ONE - INTRODUCTION

1.1 Background of the study

According to Turner (1992), a project involves the coordination of resources, both human and financial, to complete a specific scope of work while adhering to constraints in terms of cost, time, and quality. Organizations undertake projects for various reasons such as solving challenges, launching new products, or achieving their objectives. Project management, as defined by the Project Management Institute (PMI) and the Association for Project Management (APM), entails the application of knowledge, skills, tools, and techniques to meet project requirements.

The Project Management Body of Knowledge (PMBOK, 6th ed.) outlines project management practices, including project integration management, project scope management, project schedule management, project cost management, project quality management, project resource management, project communication management, project risk management, project procurement management, and project stakeholder management. Specifically, project risk management is a systematic process that involves identifying, evaluating, and controlling potential risks throughout the project in order to increase the probability of project success. This process includes risk identification and analysis, developing strategies to address risks, and continuously monitoring and controlling risks (PMI, 2017).

Projects inherently carry a level of risk due to their unique, limited, and dynamic nature, coupled with the involvement of people (APM, 2006). Both PMI and APM provide a comprehensive view of project risk, defining it as an unforeseen event or circumstance that can have positive or negative impacts on project goals, such as time, cost, and quality. A risk may have multiple triggers and consequences, which can include pre-existing or future requirements, expectations, restrictions, or conditions that allow for negotiable outcomes (APM, 2006).

International CSOs play a vital role in promoting sustainable development worldwide, working in various sectors such as education, health, agriculture, the environment, and livelihoods. However, their operations also come with risks that can jeopardize their financial sustainability and mission achievement. Therefore, effective risk management practices are essential for ensuring the success

and longevity of CSO projects. One such organization is WVE, one of the largest international CSOs operating in the country.

According to Mendoza and Webb (2020), financial sustainability is defined as "the capacity to generate and maintain sufficient financial resources to support the organization's mission and activities over the long term" (p. 143). It involves effective financial planning, budgeting, and resource allocation to ensure stability and future growth. Financial sustainability is directly linked to an organization's ability to anticipate, prevent, and manage potential risks. Given World Vision's global presence and the various risks it faces, it is vital to examine its risk management practices and their effectiveness in ensuring continued service delivery.

Effective risk management practices are crucial for organizations, especially in challenging and unpredictable environments, to ensure their financial sustainability. The focus of this study is on World Vision, a prominent international humanitarian organization engaged in various development and relief projects globally. The research aims to investigate World Vision's risk management practices and assess their impact on financial sustainability. Nonprofit organizations face a unique set of risks that can significantly affect their financial sustainability. Risks such as funding uncertainties, natural disasters, and political instability can hinder the effective delivery of services. Therefore, robust risk management practices are essential for mitigating these risks and safeguarding long-term financial stability. The findings of this study will provide a comprehensive understanding of World Vision's risk management practices and their impact on financial sustainability. Strengths and weaknesses in the current risk management approach will be identified, and recommendations for improvement will be provided. This research contributes to the literature by examining risk management practices in the context of financial sustainability, specifically within a nonprofit organization like World Vision. The findings will guide nonprofit organizations, policymakers, and donors in enhancing risk management strategies and practices to ensure long-term financial sustainability.

1.2 Background of the organization

World Vision Ethiopia is a Christian humanitarian organization that works to improve the lives of children, families, and communities in Ethiopia. It has been working in Ethiopia since 1971 and has over 2,000 staff members. WVE's work focuses on the following areas:

- **Education:** provides access to quality education for children in Ethiopia. It does this by building and maintaining schools, providing scholarships, and training teachers.
- **Health:** provides access to quality healthcare for children and families in Ethiopia. It does this by building and maintaining health clinics, providing medical supplies, and training health workers.
- **Water, sanitation, and hygiene:** provides access to clean water, sanitation, and hygiene facilities for children and families in Ethiopia. It builds and maintains water wells, latrines, and hygiene promotion programs.
- **Nutrition:** provides nutritious food to children and families in Ethiopia who are at risk of malnutrition. It does this by distributing food, providing food supplements, and promoting breastfeeding.
- **Economic development:** works to help children and families in Ethiopia lift themselves out of poverty. It does this by providing microfinance loans, training in agriculture and business, and supporting community development projects.
- **Emergency response:** responds to emergencies in Ethiopia, such as floods, droughts, and conflict. It does this by providing food, water, shelter, and other essential supplies to those affected by the emergency.

1.3 Statement of the problem

In order to maintain financial sustainability in nonprofit organizations like World Vision, effective risk management practices are crucial. As a global humanitarian organization, World Vision faces a variety of risks that can hinder its ability to achieve its mission and maintain financial stability. Several studies have been conducted to examine the impact of risk management practices on the financial sustainability of nonprofit organizations.

One study conducted by El Ghoul, Guedhami, and Pittman (2019) analyzed a large sample of 930 nonprofit organizations and found that those with well-established risk management practices demonstrated higher levels of financial sustainability. These findings provide evidence that effective risk management practices positively influence the long-term financial viability of nonprofit organizations.

Another study conducted by Moyer, Hu, and Rastogi (2017) compared risk management practices in nonprofit organizations across different countries, including the United States, Canada, and the United Kingdom. The study revealed that organizations with proactive risk management practices reported higher levels of financial sustainability. This study highlights the importance of proactive risk management in ensuring financial sustainability for nonprofit organizations.

Greer and Lennard (2017) explored risk management practices in nonprofit organizations and identified key factors influencing their effectiveness. They found that organizations with a strong risk management culture and top-level commitment to risk management practices exhibited higher levels of financial sustainability. This study emphasizes the significance of organizational culture and leadership support in implementing effective risk management practices.

In the case of international CSO such as World Vision Ethiopia (WVE), poor risk management practices can pose significant threats to the financial sustainability and mission attainment of their development projects. Inadequate risk management practices can result in inadequate project outcomes, delays, or even project termination. Therefore, it is important to assess the risk management practices of WVE and their effects on the organization's financial sustainability.

However, there is a lack of comprehensive research on the specific risk management practices used by CSO in Ethiopia and their impact on financial sustainability. While previous studies have covered the risk management aspect for organizations like WVE, there is a need for further research on the relationship between risk management practices and financial sustainability. This study aims to fill these gaps by assessing risk management practices and the financial sustainability of WVE's projects, providing valuable insights for international CSO in Ethiopia.

1.4. Research questions

Based on the problem statement, the following research questions are formulated to guide this study:

1. What are the current risk management practices employed by WVE projects?
2. What is the impact of risk management practices on the financial sustainability of WVE's projects?

1.5 Objectives of the Study

The main objective of this study is to assess the risk management practices employed by WVE in Ethiopia and their effects on the financial sustainability of its international projects. The study has the following specific objectives:

1. To assess the current risk management practices employed by WVE projects.
2. To determine the effects of risk management practices on the financial sustainability of World Vision International projects in Ethiopia.
3. To address the research gap in understanding the specific risk management practices employed by international CSO in Ethiopia and their relationship with financial sustainability.

1.6 Significance of the study

This study on assessing risk management practices and their effects on financial sustainability in international CSO projects in Ethiopia, using World Vision as a case study, has several significant contributions as outlined below:

1. To WVE: The findings of the study will provide WVE with insights into the effectiveness of its current risk management practices, suggest possible improvements, and will guide the organization in mitigating risks and improving its financial sustainability in the implementation of projects.
2. To the development sector in Ethiopia: The study's findings will contribute to benefiting CSO who implemented community development projects by providing a better understanding of risk management and its effect on financial sustainability.

3. To the academic community: The study will contribute to the existing literature on risk management practices in international CSO. It will provide researchers with a better understanding of the risks that organizations face and the best practices for managing them to achieve financial sustainability in their projects.

1.7 Scope of the study

The scope of the study is to assess the risk management practices of WVE and their effect on financial sustainability active project of the organization. The research is conducted at the main office located in Addis Ababa. The selection of Addis Ababa as the research site is based on the convenience of accessibility for the researcher.

1.8 Limitations of the study

The main limitation of this study emanates from the fact that the study only looked at one international CSO, WVE thus, the findings of the study may not apply to other international CSO. Other CSO may have different risk management practices and financial sustainability challenges. Finding appropriate personnel for interview has been challenging due to the busy work schedule of senior management of the organization. This resulted very limited number of interviewees for this study. In addition to these the study was conducted over a short period, which may have limited analysis depth of the findings. Additionally, using descriptive statistics may have resulted in incomplete findings that do not fully represent risk management practices in international NGOs. Therefore, it is necessary to acknowledge these constraints and comprehend that the outcomes may not be universally applicable to all international NGOs.

1.9 Definition of terms

Project: a temporary task in which resources are structured to attempt a scope of work of specified particular specification, within time, cost, and quality constraints, to deliver a valuable product.

An organization is a stable system of individuals who work together to achieve, through a hierarchy of ranks and division of labor, common goals.

Sustainability is the ability to maintain or support a process over time.

Effect refers to the result or outcome of a particular action or event.

CSO (Civil Society Organization) is any non-profit, voluntary citizens' group that is organized on a local, national, or international level.

International CSO are non-governmental organizations that operate in multiple countries.

1.10 Organization of the study

This study will organize into five chapters:

Chapter one will consist of the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, limitations of the study, scope of the study, definition of terms, and organization of the study.

Chapter two deals with the literature review relevant to the study on risk management practices and their effect on financial sustainability.

Chapter three will consist of a detailed description of the research methodology used in the study. It describes the research design, target population, sample size and sampling techniques, research instruments, instrument validity and reliability, data collection procedures, and data analysis techniques.

Chapter four entails a report on the data obtained from the findings and the interpretations of the findings.

Chapter five will contain the summary of the study, conclusions, and recommendations.

CHAPTER TWO - LITERATURE REVIEW

The literature that was studied in connection to projects, project management, and project risk management is summarized in this section of the study. According to many writers, compared to time, cost, and quality management, risk management is the project management technique with the least amount of expertise. The researcher discovered throughout this process that there is a wealth of literature on risk management and risk management methods, but that much of this literature concentrates on commercial enterprises, such as the software and construction industries. As far as the researchers are aware, there hasn't been much research done on humanitarian efforts. The researcher made every effort to match the widely used risk management techniques in other industries to those used by humanitarian organizations because the processes are similar. There is a research gap on risk management practices' effect on financial sustainability in International CSO Projects in Ethiopia.

2.1 Theoretical Literature Review

2.1.1 What is a project?

Many authors have presented different project meanings, but they all imply the same interpretations. According to the Project Management Institute (PMI), a project is "a temporary endeavor undertaken to create a unique product, service, or result" (PMI, 2017). A project can be defined as a temporary endeavor that is created to produce a unique result, product, or service on a specific schedule within the constraints of time, resources, and budget (PMI,2017; Turner & Muller, 2018). According to Kloppers and Geber (2013), a project is a process that involves the management of resources to achieve a specific objective, with the outcome having a significant impact on the organization or society at large. Furthermore, a project is characterized by its complexity, risk, uncertainty, and its interdepartmental and interdisciplinary nature (Baltzan & Philips, 2009). A project should have definite starting and ending points (time), a budget (cost), a clearly defined scope of work to be done, and specific performance requirements that must be met (Lewis, James P., 2006).

According to Kerzner (2017), projects have several characteristics that differentiate them from ongoing business operations. These characteristics include:

1. Temporary nature: Projects have a defined beginning and end, with a duration that is limited.
2. Unique: Each project is different and has specific objectives, tasks, and requirements that are unique to that project.
3. Goal-oriented: Projects are designed to achieve specific goals or objectives.
4. Constraints: Projects have limitations on resources such as time, budget, and scope.
5. Cross-functional: Projects require the involvement of multiple stakeholders and teams from different functional areas.

Even if different writers describe projects slightly differently, everyone agrees that projects are unique and embrace risk.

2.1.2 What is Project Management?

Project management is a well-established and critical field that has attracted significant academic research and practical applications. The theoretical literature on project management provides a comprehensive understanding of the principles, techniques, and processes involved in the management of projects (Kloppers & Geber, 2013). One of the primary theoretical perspectives on project management is the systems theory, which views a project as a complex system characterized by interactions, interdependencies, and feedback loops among the various project components (Cicmil et al., 1999). Systems theory emphasizes the importance of taking a holistic approach to project management and considering the interrelationships among various project elements when managing projects successfully.

Another theoretical perspective on project management is a resource-based theory, which emphasizes the importance of resources, particularly human resources, in project management (Barney, 1991). According to this theory, project management success depends on the availability of valuable, rare, inimitable, and non-substitutable resources.

In addition to systems theory and resource-based theory, project management is informed by established management theories such as organizational theory, strategic management, and risk management (Kloppers & Geber, 2013). Organizational theory provides insights into the structure and behavior of organizations, which can influence project planning, implementation, and evaluation processes. Strategic management theories are relevant to project management as they can guide project managers in developing a strategic vision, mission, and objectives for their projects. Risk management theories provide frameworks and techniques for identifying, assessing, and mitigating risks in project management.

Project management practices include project integration management, project scope management, project schedule management, project cost management, project quality management, project resource management, project communication management, project risk management, project procurement management, and project stakeholder management, according to the Project Management Body of Knowledge (PMBOK).

2.1.3 Risk and uncertainty

Risk and uncertainty are two interrelated concepts that have implications for decision-making in various. Risk refers to the likelihood of an uncertain event occurring and the potential harm it could cause. Uncertainty, on the other hand, relates to the lack of knowledge or information about an event or outcome.

According to Knight (1921), risk refers to situations where outcomes are unknown, but their probability can be estimated. On the other hand, Knight (1921) defined uncertainty as situations where the probabilities of outcomes are not known. Similarly, Savage (1954) distinguished between risk and uncertainty by stating that risk involves known probabilities of uncertain outcomes, while uncertainty involves unquantifiable probabilities of uncertain outcomes.

According to Cooper (2005), risk arises because of uncertainty about the future that may arise from the possibility of economic, financial, or social loss or gain, physical damage or injury, or delay. In most instances, the perception of risk is considered the management of negative effects, also called threats. ".the term risk is often used for negative outcomes or negative uncertainty." but risks may also result in a positive effect – opportunities (Haseeb, Bibi, Qureshi, & Khan, 2014).

In any given decision situation, both threats and opportunities are usually involved, and both should be managed (Chapman & Ward, 2003).

2.1.4 Project risk

A project risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on one or more project objectives (such as scope, schedule, cost, and quality). Project risk is a critical concept in project management that can significantly impact project outcomes. According to (PMI 2013), the risk is characterized as an unforeseeable occurrence or condition that, if it occurs, has a positive or negative impact on one or more project goals, such as scope, schedule, expense, or quality.

One aspect of project risk is the nature of risks in projects. Kloppers and Geber (2013) note that project risks can arise from internal and external environmental factors that can impact project objectives and outcomes. Internal factors may include poor project management, a lack of resources, and poor stakeholder communication, while external factors may include economic conditions, natural disasters, and political instability. According to Hillson and Murray-Webster (2017), risk sources can be categorized into six broad categories, including technical, organizational, external, strategic, financial, and project management risks. These categories provide a framework for identifying and assessing the various risks associated with different aspects of project management.

2.1.5 Risk factors

The size and nature of a project can affect the specific risk factors that arise; there are several common risk factors that are consistent across most projects. Cervone (2006) points out that risk factors such as lack of top management commitment, failure to gain user commitment, misunderstanding requirements, lack of adequate user involvement, and failure to manage end-user expectations are common in many projects. Keil et al. (1998) also highlighted these risk factors in their research and emphasized their importance in project failure. Lack of commitment from top management can result in inadequate resources being allocated to the project, which can impact project outcomes. Failure to gain user commitment and involve users in the project can

result in incorrect requirements and expectations. Misunderstanding the requirements can have a significant impact on project outcomes, and failure to manage end-user expectations can lead to dissatisfaction and project failure. Overall, these common risk factors highlight the importance of effective communication and stakeholder engagement in project management.

2.1.6 Risk categories

Risk categories are an essential tool for identifying and managing various types of risks that businesses and organizations may encounter. The categorization of risks may vary depending on the context and perspective, but some common approaches include financial, operational, strategic, compliance, and reputational risks. Financial risks refer to the potential financial losses or increased expenses that an individual or organization may face due to factors such as market fluctuations, interest rate changes, or credit risks (Fernandez et al., 2021). For example, changes in currency exchange rates can significantly affect a company's financial performance and increase the risk of financial loss.

Operational risks are related to the internal processes, systems, and technology that a business or organization uses to achieve its objectives. These risks can include errors, system failures, or disruptions in the supply chain that can impact an organization's ability to deliver products or services to customers (PWC, 2021).

Strategic risks arise from external factors, such as changes in the competitive landscape or industry-wide disruptions that could threaten an organization's long-term success (Deloitte, 2020). For example, an energy company may face strategic risks if government regulations require it to reduce its carbon emissions, leading to a decline in its competitive position.

Compliance risks occur when individuals or organizations fail to comply with legal or regulatory requirements (Protiviti, 2021). For example, a bank may face compliance risks if its operations violate anti-money laundering regulations, leading to financial penalties and reputational damage.

Reputational risks refer to risks that can damage an individual or organization's reputation and brand value (KPMG, 2021). These risks may arise from factors such as negative publicity, customer complaints, or misconduct by employees.

Different categories of risks can help individuals and organizations assess, prioritize, and manage risks more effectively. However, it is important to note that risks may overlap between categories, and identifying and mitigating risks is an ongoing process that requires regular review and adjustment.

2.1.7 Project risk management

Risks have a significant impact on the project's performance in terms of achieving its objectives. Project risk management is a critical aspect of project management that involves identifying, assessing, and mitigating potential risks that may impact the success of a project. Risk management is essential for ensuring that project objectives are met, budgets and timelines are adhered to, and stakeholders' expectations are satisfied. Several researchers have emphasized the importance of project risk management in ensuring project success. In a study by Rad and Levin (2006), it was found that organizations that have an established risk management process have a higher project success rate than those that do not. The study also revealed that project teams that actively manage project risks are more likely to achieve their goals and objectives.

2.1.8 Risk Management and Project Management

Risk management and project management are two distinct but closely interrelated concepts. While project management aims to deliver projects successfully within the constraints of time, budget, and scope, risk management is focused on identifying and mitigating potential risks that may affect project outcomes. Effective risk management is critical to the success of any project. It involves a systematic approach to identifying potential risks, assessing their impact, and developing mitigation strategies. In the project management context, risk management seeks to minimize the impact of potential risks on the project goals and objectives. This can include technical risks, such as system failures or technology obsolescence. Organizational risks, such as poor coordination or communication, or external risks, such as changes in regulatory environments or environmental risks (Pantano & Schneider, 2016).

Integrating effective risk management practices into project management processes is essential. This involves identifying potential risks during the project planning phase, developing a risk

management plan, and implementing measures to manage identified risks (Grundy, 2017). An effective risk management plan will prioritize risks based on the likelihood and impact, identify mitigation strategies, and establish a monitoring process to measure the effectiveness of risk management measures.

One challenge of integrating risk management into project management is the unpredictability of risks. Project managers may struggle to identify all potential risks during the planning phase, leading to delays or unexpected outcomes during the project execution phase (Chapman & ard, 1997).

2.1.9 Risk management process

According to PMBOK (Project Management Body of Knowledge) Guide, project risk management comprises six processes: Plan Risk Management, Identify Risks, Perform Qualitative Risk Analysis, Perform Quantitative Risk Analysis, Plan Risk Responses, and Monitor and Control Risks.

2.1.9.1. Plan risk management

As per PMI (2013), the process of Plan Risk Management involves establishing procedures for executing risk management activities for a given project, while Kerzner (2009) defines it as crafting a comprehensive risk management strategy and allocating adequate resources for the purpose. This phase of the planning process is where a systematic approach is adopted to determine how to formulate, plan, and execute risk management activities for a project, with the view that careful planning will help ensure the project's success (Richardson, 2014). The key advantage of this phase is guaranteeing that the degree, nature, and prominence of risk management are proportionate to both organizational risks and projects' significance. The risk management plan is vital for communication and agreement among stakeholders, ensuring well-executed risk management throughout the project's lifecycle (PMI, 2013). Providing risk management training to project personnel is another vital aspect of risk planning, with experienced professionals being the best trainers (Kerzner, 2009).

The inputs that can be utilized for planning risk management include the project management plan, stakeholder register, project charter, enterprise environmental factors, and organizational process assets, while analytical techniques, expert judgment, and meetings are some of the tools and techniques that can be employed (PMI, 2013). According to Callahan and Brooks (2004), Kerzner (2009), and Richardson (2014), the output of the risk management planning process is the risk management plan (RMP), a risk-related roadmap that specifies procedures for executing and managing risk-related activities throughout the project and outlining the objectives, goals, tools, techniques, communication, documentation, roles and responsibilities, and behavioral climate essential for effective risk management. The RMP should contain appropriate definitions, ground rules, candidate risk categories, risk identification and analysis methodologies, organizational implementation, and documentation for risk management activities (Kerzner, 2009). Careful, explicit planning enhances the probability of success for other risk management processes (PMI, 2013) and helps guide the project team's reactions during an event (Richardson, 2014). Planning affords adequate resources and time for managing risk and provides a basis for evaluating risks. The Plan Risk Management process should begin as soon as the project is conceptualized and completed early in the project planning phase (PMI, 2013). Overall, the Plan Risk Management process is critical for identifying potential risks and planning for responses if they do occur throughout the project lifecycle to enhance project success.

Tools and techniques of plan risk management

1. The analytical technique is utilized to identify and define the overall risk management context of the project, which includes stakeholder risk attitudes and strategic risk exposure. This approach is based on the project's overall context (PMI, 2013).
2. Expert judgment plays a critical role in developing a comprehensive risk management plan. Consultations with groups or individuals who have specific training or experience in the subject matter are necessary to ensure that the risk management plan is complete. Experts such as senior management staff, project stakeholders, project managers with experience in similar areas, subject matter experts, and professional and technical associations are among those who may provide input (PMI, 2013).
3. Meetings are necessary to establish the risk management plan. Planning sessions are attended by the project manager, selected project team members and stakeholders, those within the

company responsible for risk planning and execution activities, and others as necessary (PMI, 2013).

2.1.9.2. Identify risks

The identification phase of risk management involves developing a list of potential risks and their impact on the project. This phase is crucial to ensure that all possible risks are identified early on. A study by Rad and Levin (2006) found that organizations that effectively identify project risks have a higher project success rate than those that do not.

According to Kwak and Stoddard (2004), cited in Teller & Kock (2013), risk identification is a crucial activity in risk management. During this process, the project team evaluates all project elements and events from the perspective of various risk categories to determine potential negative impacts on the project (Cervone, 2006). The team also considers the consequences that may result from the occurrence of identified risks, such as delayed project tasks due to software delivery delays from a vendor. Risks with dependencies should be assessed together as one, as part of good practice (Cervone, 2006). After completing risk identification, the team proceeds to risk analysis to determine the likelihood of risks occurring and when they are most likely to happen in the overall project timeline. Formal methods such as decision analysis, cost risk analysis, schedule analysis, and reliability analysis can be used to perform risk analysis (Cervone, 2006). Risk event identification is the most complex step in the project management process, according to Callahan and Brooks (2004), as it requires a systematic identification of all possible risks and documentation of their potential impact on the project.

Risk identification should continue throughout all project phases and focus on the sources of risks rather than the event or effect (Kerzner, 2009; Roberts and Wallace, 2004). Participants in the risk identification team should include appropriate project and domain experts, project team members, stakeholders, and risk management technical experts (Richardson, 2014). The involvement of the project team in the process fosters a sense of ownership and responsibility for identified risks and associated response actions.

The process enables the documentation of existing risks and provides knowledge that helps the project team anticipate events (PMI, 2013). It also allows decision-makers to make informed

responses with consideration of relevant risks during the project lifecycle (Roberts et al., 2003). Risk identification can target internal and external risks, predictable or unpredictable, controllable or uncontrollable, and technical or non-technical risks (Conboy & Coyle, 2009). Risk identification can be carried out by reviewing project scope documents, WBS details, environmental factors, and organizational issues, among other methods, as highlighted by Richardson (2015). The PMBOK (2013) lists various tools and techniques such as documentation reviews, information gathering techniques, checklist analysis, assumptions analysis, diagramming techniques, SWOT analysis, and expert judgment that can be useful in identifying potential risks.

Tools and techniques for risk identification

1. Documentation reviews involve an organized evaluation of project materials, including plans, agreements, and assumptions, to assess their quality and conformity with project requirements. This process can affect the risks identified during risk management (PMI, 2013).
2. Information-gathering systems can use brainstorming to identify risks. This involves meeting with key individuals familiar with the project and generating ideas and solutions. The Delphi technique involves key experts systematically providing their views and creating scenarios based on their integration. A questionnaire can also be used to elicit ideas regarding the most important project hazards (PMI, 2013).
3. Checklist analysis involves creating checklists based on historical data and knowledge gathered from similar initiatives, identifying potential failure points that can be useful in identifying risks. Revisions are made to eliminate or archive irrelevant entries and improve them for future projects (PMI, 2013).
4. Assumptions analysis involves exploring the validity of hypotheses, scenarios, or assumptions underlying a project plan to identify potential risks resulting from inaccuracies, instabilities, inconsistencies, or incompleteness (PMI, 2013).
5. Diagramming techniques use charts and diagrams, such as decision trees and influence diagrams, to indicate the cause-and-effect relationship of key factors, identifying different options and decisions and their expected values (PMI, 2013).
6. SWOT analysis starts by identifying a project's strengths, weaknesses, opportunities, and threats (SWOT) to broaden the scope of risks recognized. The analysis highlights project possibilities arising from organizational strengths and dangers resulting from organizational

shortcomings and how strengths counteract threats and opportunities to overcome deficiencies (PMI, 2013).

7. Expert judgment involves seeking input from experts with relevant experience in similar projects or business areas, which can directly identify potential risks. Project managers should consider the experts' biases during the process (PMI, 2013).

2.1.9.3. Perform qualitative risk analysis

The qualitative risk analysis phase involves assessing risks based on their likelihood and impact on the project. A study by Raza et al. (2021) showed that project risk analysis can lead to higher levels of project success.

In 2013, PMI defined qualitative risk analysis as the process of prioritizing risks by assessing and combining their probability of occurrence and impact in order to reduce uncertainty and focus on high-priority and troublesome risks (Richardson, 2015). This process is typically rapid and cost-effective, establishing priorities for Plan Risk Responses and laying the foundation for performing quantitative risk analysis, if necessary. Qualitative risk analysis is a continuous process throughout the project life cycle, using tools such as risk probability and impact assessment, probability and impact matrix, risk data quality assessment, risk categorization, risk urgency assessment, and expert judgment. As new information emerges, the risk register is revised, and assumptions may change. The frame (2002) also notes that a well-executed qualitative risk analysis provides analysts with insight into possible challenges they may encounter during the project.

2.1.9.4. Perform quantitative risk analysis

Quantitative risk analysis involves numerically analyzing the impact of identified risks on project objectives. This process provides quantitative data that can support decision-making and reduce project uncertainty (PMI, 2013). Turner (2009) notes that this analysis is usually reserved for larger, more complex projects due to the significant time and effort required. Several techniques can be used for quantitative risk analysis, including data gathering and representation techniques, quantitative risk analysis and modeling techniques, and expert judgment (J. Rodney, Ledwith, & Kelly, 2009). Project documentation should be updated with information resulting from this analysis (PMI, 2013).

2.1.9.5. Plan risk responses and Strategies

This phase of risk management involves developing appropriate risk response strategies. (Kerzner, 2009) and (PMI, 2013) propose three response strategies for negative risks or threats that could impact project objectives: avoid, transfer, and mitigate. For positive risks or opportunities, suggested responses include exploiting, sharing, enhancing, and accepting. The accept response strategy is applicable for both negative risks and positive risks. According to Lo and Yeung (2018), proactively managing risks can improve project performance.

Risk response strategies are one of the critical components of project risk management. Researchers have extensively discussed risk response strategies and their impact on project success. This literature review highlights some of the recent perspectives on risk response strategies, the factors that influence their selection, and their effectiveness.

According to (Gao et al., 2019), risk response strategies can be classified into four categories, avoidance, mitigation, sharing, and retention, based on the type and severity of the risk. They also note that the effectiveness of risk response strategies can be improved by considering the project risk profile, resource availability, and risk tolerance of the stakeholders.

The study conducted by (Zhang et al., 2021) identified five dimensions of risk response strategies: Technical, management, financial, contractual, and social. Their findings showed that the most commonly used risk response strategies were mitigation, transfer, and avoidance and that there is a significant relationship between risk response strategies and project performance. They also concluded that the selection of risk response strategy is influenced by factors like project type, project scale, and risk tolerance of stakeholders.

(Hu et al., 2020) conducted a meta-analysis of different studies on risk response strategies and concluded that the most effective strategies for negative risks are avoidance and mitigation, while for positive risks, the most effective strategy is exploitation. They also highlighted that the effectiveness of risk response strategies is influenced by the project phase, risk perception, and stakeholder influence.

In another study, (Zou et al., 2021) noted that the selection of risk response strategies is also influenced by the maturity of the project management processes, project management experience, and the risk culture of the organization. They argue that an effective risk response strategy should be based on a thorough risk assessment, considering both the likelihood and the impact of identified risks.

The risk response strategies are described in detail below:

a. Risk avoidance

Risk avoidance involves proactively avoiding activities or situations that could result in negative consequences. This approach is based on the philosophy of negotiating or eliminating risks entirely from a project (Roberts et al., 2003). The project team takes action to either eliminate the threat altogether or protect the project from its impact (Project Management Institute (PMI), 2013). The project plan may need to be modified to avoid situations that create risk and eliminate threats (Wysocki, 2014). Project managers may also isolate project objectives from the risks' impacts or adjust objectives that are at risk. This may involve extending the timeline, changing the strategy, or reducing the project scope. In some cases, the most extreme avoidance strategy is to shut down the project entirely. Early project risks can be avoided by clarifying requirements, obtaining information, improving communication, or seeking expert advice (Project Management Institute (PMI), 2013).

b. Risk Transfer

Risk transfer refers to the strategy of shifting the responsibility for managing risk events and their consequences to a third party (Richardson, 2014; Wysocki, 2014). This response typically involves the payment of a risk premium to the party accepting the risk, as described by PMI (2013). A wide range of transfer tools may be used, such as insurance policies, performance bonds, warranties, guarantees, and other similar mechanisms. Agreements or contracts with another party can also be employed to transfer liability for specific risks (Project Management Institute (PMI), 2013).

c. Risk Mitigation

Risk reduction comprises activities aimed at decreasing the likelihood or impact of risks. Taking proactive steps to minimize the adverse consequences of risk enables the achievement of risk reduction. Mitigation is the act of taking steps to reduce the risk, while deflection entails transferring it. However, deflection alone is insufficient to lower the likelihood of risk occurrence. Mitigation, on the other hand, has the potential to reduce both the probability and impact of risks (Fewings, 2005). Cooper (2005) identifies various strategies for risk mitigation, including contingency planning, quality assurance, separating or relocating activities and resources, incorporating specific terms and conditions in contracts, and implementing crisis management and disaster recovery plans. Choosing an appropriate risk mitigation strategy should result in a decrease in the uncertainty of a risk event and the probability of its occurrence, as well as its potential impact.

d. Risk Exploitation

This approach is utilized to maximize the benefits of favorable risks that an organization intends to pursue while eradicating any associated uncertainty. Its main goal is to increase the prospect of success for the anticipated opportunity (Richardson, 2014). Direct exploiting response tactics include deploying the best resources available to the project to hasten completion time and implementing advanced technologies or upgrading existing ones to lower the cost and duration necessary to fulfill project goals (Project Management Institute (PMI), 2013).

e. Risk Sharing

When sharing a positive risk, the ownership of all or some of the opportunity is given to a third party that is most capable of exploiting it for the project's benefit (Project Management Institute (PMI), 2013). Similarly, Kerzner (2009) explains it as a risk-sharing arrangement with another party, which increases the likelihood and/or effect of opportunities (Kerzner, 2009). To implement this, partnerships, teams, special-purpose companies, or joint ventures can be established with the sole purpose of capitalizing on the opportunity, ensuring all involved parties benefit from their endeavors (Project Management Institute (PMI), 2013).

f. Risk Enhancing

To get benefited from positive risk, its size can be increased by boosting its likelihood and/or impact and by identifying and maximizing crucial factors that positively influence it (Richardson, 2014). PMI (2013) suggests that recognizing and maximizing the essential drivers of these advantageous risks can elevate their chance of happening (Project Management Institute (PMI), 2013). Some instances of enhancing opportunities are devoting more resources to an activity in a bid to wrap it up earlier.

g. Risk Acceptance

This risk response strategy is applicable to both negative risks or threats and positive risks or opportunities (PMI, 2013). As described by PMI (2013), the strategy involves accepting the risk and taking no action unless it occurs. This approach indicates that the project team has decided not to modify the project management plan to address the risk or has been unable to identify a more viable response strategy. The strategy can be passive or active. In passive acceptance, no action is taken except to document the approach, and the project team deals with the risks as they emerge, regularly reassessing the threat to ensure it doesn't change significantly. The most common active acceptance strategy involves establishing a contingency reserve, which includes a budget for time, money, or resources for managing the risks (PMI, 2013). Richardson (2015) notes that some risks are minor and easily manageable, making it uneconomical to invest time in developing a response mitigation plan (Richardson, 2014). Based on Straw's (2015) view, the strategy can be to do nothing.

2.1.9.4. Monitor and Control Risks

Risk monitoring and control is a proactive technique used to objectively monitor progress in reducing risks to an acceptable level, and it is not a problem-solving method (Kerzner, 2009). Several techniques suitable for risk monitoring and control within a program-wide indicator system include:

- Earned Value (EV): This technique employs standard cost/schedule data to assess a program's cost performance and provides an indicator of schedule performance. It can determine if risk response actions are producing their projected results.
- Program Metrics: Periodic, formal evaluations of development processes that assess how well they accomplish their objective. This method can track corrective actions resulting from an assessment of vital program processes.
- Schedule Performance Monitoring: Program schedule data is used to evaluate progress toward completion.
- Technical Performance Measurement (TPM): TPM is an engineering analysis and testing of a product design that estimates values of critical technical performance parameters affected by risk response actions.

The purpose of this process is to ensure that risk identification, analysis, and response are ongoing. The requirements include periodic risk register status checks, evaluation of the effectiveness of risk response methods used, and the identification, assessment, and development of responses for new risks. This sub-process also entails identifying secondary risks, which are risks that emerge after risk response implementation (Cruz et al., 2006).

A study by Taner and Guner (2018) found that risk monitoring is critical in ensuring that a risk management plan is effectively implemented.

2.1.11 Benefits of risk management

Risk management is a vital aspect of project management that involves identifying, assessing, and mitigating potential risks that can impede project success. Several studies have highlighted the benefits of risk management and why it is essential for organizations to integrate it into their project management processes.

According to a study by Zaim et al. (2016), risk management helps organizations to optimize their resources, especially when dealing with complex projects with uncertain outcomes. The study revealed that effective risk management reduces the likelihood of project delays and cost overruns which can increase the overall quality of project deliverables.

Likewise, a study by Alam et al. (2019) highlighted how risk management can help organizations improve decision-making and enhance project outcomes. The authors noted that effective risk management provides stakeholders with insights into potential project risks and helps them to make informed decisions that can minimize the overall risk exposure of a project.

Another area where risk management can benefit organizations is in achieving their strategic objectives. A study by Keersmaekers et al. (2019) highlighted how risk management can be used to support strategic decision-making. The authors noted that by integrating risk management into the project management process, organizations could align their project objectives with their broader strategic objectives, thereby increasing the likelihood of achieving their goals.

In addition, effective risk management can help to create a culture of continuous improvement within organizations. According to a study by Weigand et al. (2017), organizations that integrate risk management into their project management processes can learn from past experiences and continually improve their strategies and processes. This, in turn, can enhance project outcomes and help organizations to achieve their goals more efficiently.

2.1.12 Financial sustainability

Financial sustainability in CSO refers to the ability of an organization to generate and maintain sufficient resources to support their programs and services effectively in the long term. It is a crucial concept as it ensures the organization's capacity to continue implementing its programs, developing new initiatives, and serving its beneficiaries without interruptions.

Adam, Kumi, and Arhin (2018), Hailey and Salway (2016), Hayman (2016), and others describe financial sustainability as the comprehensive and multidimensional nature of NGO sustainability. According to Hailey and Salway (2016), a sustainable NGO is "a sustainable organization that can continue to carry out its mission over time and meet the needs of its key players, especially beneficiaries and supporters." A study by Elvin Shava (2021) highlighted sustainability in NGOs is regarded as the efficient use of resources and generation of wealth to positively contribute to a functioning economy, society, and physical environment.

The Charities and Societies User Manual ((ChSA, 2011) financial sustainability of an organization as having diversified sources of income; employing different and innovative ways of generating income; doing strategic, action, and financial planning in a timely and regular manner; putting in place a strong and effective financial management system; having a good public image; being clear about values (value clarity); having financial autonomy; and having a cordial and smooth working relationship with sector offices and government authorities in operating areas.

2.1.13 Risk management and financial sustainability

Risk management and financial sustainability are closely related concepts that are crucial for the success and survival of organizations. Several studies have explored the relationship between risk management and financial sustainability, highlighting the benefits of effective risk management in ensuring financial sustainability.

One key benefit of risk management is the ability to mitigate financial risks. A study by Vodenska et al. (2016) found that effective risk management can help organizations to minimize their exposure to financial risks such as credit risks, market risks, and operational risks. This, in turn, can help to ensure financial stability and sustainability.

Another area where risk management can benefit financial sustainability is in identifying and exploiting opportunities. A study by Ali et al. (2018) noted that effective risk management can help organizations identify and exploit opportunities in the market that can enhance their financial sustainability. By taking calculated risks and leveraging opportunities, organizations can achieve their financial goals and remain sustainable in the long term.

Moreover, risk management can help organizations to improve their financial performance. A study by Alexander (2019) highlighted how effective risk management practices can lead to better financial performance. The author noted that organizations that integrate risk management into their strategic planning and decision-making processes can improve their overall financial performance by optimizing their resources, enhancing their competitive advantage, and reducing their exposure to financial risks. Additionally, effective risk management can help organizations to comply with regulatory requirements and standards that are crucial for financial sustainability. A study by Deloitte (2018) found that risk management is essential in complying with the

regulatory requirements and standards set by the financial industry. By complying with these requirements and standards, organizations can maintain their financial stability and ensure long-term sustainability. Risk management is crucial for achieving financial sustainability and stability. Effective risk management practices can help organizations to mitigate financial risks, identify and exploit opportunities, improve their financial performance, and comply with regulatory requirements and standards. Therefore, integrating risk management into the strategic planning and decision-making processes is essential for ensuring financial sustainability in the long term.

2.2 Empirical Review

Risk management has been identified as a critical element in ensuring the financial sustainability of organizations. The ability of organizations to identify and manage risks is important in limiting the potential losses that they may incur and can help to ensure their continued profitability and financial well-being. Empirical studies on the relationship between risk management and financial sustainability in NGO projects are limited, but some studies provide valuable insights into the benefits of effective risk management on financial sustainability in this context. A study by Henseler et al. (2018) found that effective risk management practices can positively impact the financial sustainability of international development projects implemented by NGOs. The study revealed that NGOs that had effective risk management systems in place were able to minimize financial risks and ensure financial sustainability over time. Similarly, a study by Save the Children UK (2017) highlighted the importance of risk management in ensuring the financial sustainability of NGO programs. The study revealed that effective risk management practices, such as risk assessment, monitoring, and mitigation, can help NGOs to reduce financial risks and increase their chances of achieving financial sustainability. Another study by UNDP (2019) underscored the importance of risk management in ensuring the financial sustainability of UN-funded development projects implemented by NGOs. The study revealed that effective risk management practices, such as risk identification and mitigation, were crucial for achieving financial sustainability in UN-funded development projects. Moreover, a study by Rethink Africa (2019) explored the impact of risk management on the financial sustainability of NGOs operating in Sub-Saharan Africa. The study found that effective risk management practices, such as risk identification, assessment, and mitigation, can help NGOs to minimize financial risks, enhance their financial performance, and

ensure long-term financial sustainability. The reviewed studies have illustrated the importance of adopting effective risk management practices in ensuring the financial sustainability of organizations. Organizations that adopt effective risk management practices are likely to experience better financial performance and long-term sustainability.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The research method adopted in carrying out this study included research approach, research design, sampling design, sources of data, data collection procedures, data analysis methods, validity & reliability, and ethical consideration.

3.2. Research Approach

According to Creswell (2014), combining qualitative and quantitative research yields more insightful results than either approach alone. Their combined usage offers a deeper comprehension of research issues. Thus, both quantitative and qualitative research approaches were employed in the study's implementation to acquire a broad image of the practice of project risk management and its impact on financial sustainability.

3.3. Research Design

A research design refers to a plan, a guide for data collection and interpretation, and a set of rules that enable the investigator to conceptualize and observe the problem under study, Adams and Scheveneldt (1985). A descriptive survey study determines and reports the way things are and commonly involves assessing attitudes and opinions, Gay (1981). The researcher utilized a mixed-method approach that incorporated a structured questionnaire and semi-structured qualitative interview questions. Additionally, Creswell (2012) highlights that mixed methods analysis is a robust design that merges the benefits of quantitative and qualitative data to offer diverse perspectives on the study topic and present a comprehensive picture of the situation.

3.4. Population and Sample

This research sampling design was purposive sampling in combination with simple random sampling.

3.4.1. Target Population

The target population for this study was employees found under senior management, project management, and project risk connect technical/operations support staff in World Vision in Ethiopia, Addis Ababa. The reason for choosing the project management department was that it is the concerned department of risk management in the organization.

3.4.2. Sampling Techniques

The organization has risk management department team members who participates in phases of the project risk management process. The sample respondents were selected using purposive sampling in combination with simple random sampling. The senior managers and project managers were selected through purposive sampling. To select the project risk, and connect technical/operations support staff, a simple random sampling technique was used to select employees from the department. Thus, it gives each respondent an equal chance of participating in the study, therefore, ensuring that the sample is representative.

3.4.3. Sample Size

The study focuses on risk management department team members as the target population. In order to gather relevant insights, a sample size of 30 individuals was chosen, comprising members from project management, and project risk connect technical/operations support staffs. Additionally, 3 senior management members, including the finance head, were also included in the sample. Purposive sampling techniques were employed to ensure that individuals with specific roles and expertise in risk management were selected for the study.

3.5. Data Sources & Types

To achieve the study's objective, primary data was collected, which refers to data gathered by the researcher and is specific to the research objective. The primary data collection techniques used in this study were questionnaires administered to project management staff and open-ended interviews conducted with management personnel within the organization.

3.6. Data Collection Procedures

To assess the practices of risk project management in the organization and their effect on financial sustainability quantitatively, structured questionnaires containing both open and closed types of questions were administered. To collect the relevant data for the study, 30 questionnaires were distributed to project management and 2 interviewees were held with senior management. Since all of the respondents were literate, questionnaires were useful instruments in collecting the primary data. Sproul (1998) argues that a self-administered questionnaire is the only way to elicit a self-report on people's opinions, attitudes, beliefs, and values. Therefore, the primary data was collected from respondents through a digital data collection platform via a Google Form, and one-on-one interviews were conducted with senior management. Open-ended questions are used to gather qualitative data from senior management since it is important to share their opinions and facts about the study in their own words.

3.7. Data Analysis Methods

Analysis of data started with editing and inspecting data pieces to identify not responded items. The research employed a mixed-method analysis that entails qualitative analysis for interpreting subjective content in the text and quantitative analysis for identifying significant patterns to enhance data analysis. The questionnaire data were analyzed by assigning numerical codes to each answer document using the readily accessible and user-friendly data analysis method, SPSS (Statistical Package for Social Sciences) 23. The research utilized descriptive statistics such as percentages, frequencies, core tendency indicators and RII (relative importance index). The study's findings were compared and discussed in conjunction with those from the literature.

3.8 Validity and Reliability

Validity refers to the extent to which data accurately represents its intended purpose. In this study, the validity of the questionnaire was enhanced through a rigorous development process. This involved reviewing prior research, relevant literature, and seeking guidance from the researcher's advisor and subject matter experts. By incorporating established methods during the questionnaire construction, the aim was to ensure that the tool effectively measured what it was intended to

measure, thereby increasing its validity. The questionnaire was adapted from Bezawit Esubalew (2021) and Mary Kariuki (2017), and the researcher also included her own questions specific to the study. In addition to focusing on validity, the study also assessed the reliability of the questionnaire using Cronbach's alpha. The results indicated that the Cronbach's alpha coefficients for all categories ranged from 0.729 to 0.863, indicating a good level of internal consistency among the items in those categories. This demonstrates that the questionnaire reliably captures the intended constructs and demonstrates consistency in its measurements.

Questions	**Number of Items**	**Cronbach's alpha**
Question on plan Risk Management	6	0.848
Question on risk identification	8	0.729
Question on risk analysis	4	0.744
Question on risk response	4	0.769
Question on risk monitoring and control	5	0.863
Questions on project risk management practices effect on financial sustainability	8	0.737
Question on risk management and financial sustainability	6	0.822

Table 3.1. Reliability test

3.9 Ethical Consideration

Prior to conducting the research, all the participants provided explicit consent after being briefed on the research's objectives. The participants were treated with respect and were informed about the purpose of the questionnaire and interview. The confidentiality of the information provided by the participants was guaranteed. It was communicated that the data collected through the questionnaire and interview would be solely used for academic purposes and would be handled with the utmost confidentiality without adversely impacting their work-life in any manner.

CHAPTER FOUR: RESULT AND DISCUSSION

4.1 Introduction

In this chapter, the data gathered from participants is presented, analyzed, and discussed in relation to the research goal. To assess the organization's risk management practices and its effect on financial sustainability in international CSO organizations in Ethiopia in the case of WVE projects, a statistical method using SPSS 23 software, was utilized based on data collected using a self-administered semi-structured questionnaire and interview. A total of 27 respondents managed to return a completed questionnaire out of a sample of 33 respondents, which makes the response rate 81.8 %.

4.2 General Information of the respondents

The general information consists the gender, age, educational level, years of experience in project-related works, position in the organization, and years of experience in the organization. The responses of the respondents are presented below:

4.2.1 Gender

The result, as presented in the table below, indicated gender presentation as 88.9% male and 11.1% female. The findings showed that the project management team was more heavily male-dominated.

Gender	**Frequency**	**Percentage**	Cum. Percent
Male	24	88.9 %	100
Female	3	11.1 %	11.11
Total	27	100%	

Table 4.1 indicates gender presentation

4.2.2 Age

The table below illustrates that out of the 27 respondents, 18.5% were aged 25-34 years, 59.3% were aged between 34-44, and 22.2 % fell between 45-54. This revealed that the sample is predominantly middle-aged, with a significant proportion of individuals aged 35-44 years.

Age group	Frequency	Percentage	Cumulative percent
25-34 Years	5	18.5%	18.52
35-44 Years	16	59.3%	77.78
45-54 Years	6	22.2%	100
Total	27	100%	

Table 4.2. Age distribution

4.2.3. Level of Education

Based on the survey in the table below, 25.9 % of the sample are degree holders, 66.7 % of the sample has master's Degree holders, and 7.4% of the respondents is Ph.D. holder. Most of the respondents have master's degrees. These results indicate that most of the respondents possessed education beyond the degree level and can conclude the project management team had a diverse range of educational backgrounds, which may ease the project management process within the organization.

Level of Education	Frequency	Percentage	Cumulative percent
Degree	7	25.9 %	25.93
MA/MSC	18	66.7 %	92.59
Ph.D.	2	7.4 %	100
Total	27	100%	

Table 4.3. Respondents level of education

4.2.4. Experience in project-related works

The survey result in the table below shows that 3.7% of the responded staff have 1-5 years of experience, 33.33% of the staff have above 6-10 years of experience, 7.4% of the staff have 11-15 years of experience, 48.2% of the staff have 16-20 years of experience and 7.4% of the project staff have over 21 years of experience in the project related works. This data showed that the data collected fell on work-experienced employees in the project-related works since most of them are senior staff with work experience of more than ten years.

Years of experience in project-related works	**Frequency**	**Percentage**	**Cumulative percent**
1-5 Years	1	3.7%	3.7
6-10 Years	9	33.33%	37.04
11-15 Years	2	7.4%	44.44
16-20 Years	13	48.2%	92.59
Above 21 years	2	7.4%	100.00
Total	27	100%	

Table 4.4. Respondents' years of experience in project-related works

4.2.5 Work position

The data presented in the table shows the positions of a sample of 27 individuals. The most common position held among the sample was Program Manager, with 63% of individuals holding this position. This was followed by technical staff, representing 30% of the sample. The remaining positions were Risk and Compliance Manager and Associate Finance Director, which each represented 4% of the sample. This data showed that the data collected fall on project manager position employees.

Positions	Frequency	Percentage
Risk and Compliance Manager	1	4%
Associate Finance Director	1	4%
Program Manager *	17	63%
Technical staff**	8	30%
Total	27	100%

* Program Manager (Supply Chain Coordinator, Area Program Manager, operation manager)

** Technical Staff (child protection officer, and Evidence and Quality Assurance Specialist)

Table 4.5. work position

4.2.6 Years of working in WVE

The survey result in the table below shows the distribution of working years of a sample of individuals in WVE. The majority of individuals (70.4%) had been working in WVE for 6-10 years, followed by 18.5% who had been working for 11-15 years. A smaller proportion (11.1%) had been working for 16-20 years. Overall, the sample had relatively long working years in WVE, with the highest proportion working for 6-10 years.

Years of working in WVE	Frequency	Percentage	Cumulative percent
6-10 Years	19	70.4%	100
11-15 Years	5	18.5%	18.52
16-20 Years	3	11.1%	29.63
Total	27	100%	92.59

Table 4.6. years of working in WVE

4.3 Project risk management-related knowledge

Due to the purposive sampling method employed, all participants in the study exhibited knowledge of the risk management practices within the organization. For the question on the extent of familiarity with risk management, participants were allowed to select multiple answers, leading to percentages not adding up to 100%. Results indicated that the most common method of gaining

familiarity was through training organized by the project/World Vision, with 92.6% of individuals selecting this option. Self-learning was also a prevalent means of gaining familiarity, selected by 74% of individuals. Furthermore, 51.9% of individuals gained familiarity through formal education/training. Overall, the sample demonstrated high levels of familiarity with risk management, with a large proportion indicating familiarity through training organized by the project/WVE. The analysis of the interview with senior management revealed that the majority of WVE staff gained knowledge of project risk management through the organization's initiative to provide risk management training for its staff. The majority of respondents participated in at least one stage of the project risk management process (92.6%), and 88.9% considered risk management to be "very important" in achieving project objectives compared to the time and cost management (as evidenced in Table 4.7).

Project risk management-related knowledge questions (n=27)	**Frequency**	**Percent**
Do you have any experience with risk management? Yes	27	100%
How familiar are you with risk management? (Multiple answers are possible)		
Self-learning	20	74%
Formal education/training	14	51.9%
Through training organized by the project/World Vision	25	92.6%
Have you ever participated in the project risk management process?		
Yes	25	92.6%
No	2	7.4%
Compared to time and cost management, how significant is risk management in achieving project objectives?		
Very Significant	24	88.9%
Significant	3	11.1%

Table 4.7 project risk management-related knowledge questions by WVE staff

4.4. Project Risk Management Process

4.4.1. Plan risk management

Effective management of project risks begins with careful planning. To determine if WVE conducted planning meetings to prepare a project risk management plan, a survey was conducted. The results showed that a majority of respondents (mean score of 4.29 and standard deviation of 0.912) agreed with this approach. Similarly, responses concerning staff (mean score of 3.37) and key stakeholder (mean score of 3.85) participation in the planning process, well-developed risk management plans (mean value of 3.74), and assigning responsibility for identified risks (mean value of 3.48) were also positive. The survey also revealed that many respondents saw participating in the planning process as a learning opportunity, with a positive mean score of 4.07 and standard deviation of 1.072. Furthermore, senior management highlighted that the risk planning process is an ongoing activity, and it is regularly reviewed and updated to ensure that the organization remains prepared to handle any uncertainties that may arise. The involvement of staff and stakeholders in the planning process is seen as crucial to the success of the project, as it encourages ownership and accountability for risk management throughout the organization. The interview supports the findings of the survey that suggest WVE has a systematic and careful risk planning process. In addition, an in-depth interview with senior management confirmed that there is a comprehensive risk management plan in place to guide project leaders and manage risk-related issues. Overall, the results of the survey and interview suggest that WVE has a systematic and careful risk planning process. Proper training of project team members has helped them handle uncertainties effectively.

Statements (n=27)	**Frequency ***						
	1	**2**	**3**	**4**	**5**	**Mean**	**SD**
Planning sessions were held by WVE to create a project risk management plan.	1	1	2	10	13	4.29	0.91
Staff members participate in the project risk management planning process as members of the project team.	4	0	4	17	2	3.37	1.24
The project's key stakeholders participate in the risk management planning process.	3	0	4	11	9	3.85	1.23
The risk management strategy for World Vision is well-developed and outlines the entire process	2	4	4	6	11	3.74	1.35

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
of risk identification, analysis, reaction plan, monitoring, and control.							
Each risk has a responsible person assigned by the plan for risk management.	3	2	7	9	6	3.482	1.25
The planning process may provide an opportunity to learn about risk.	2	0	2	13	10	4.07	1.0
Total						3.8	

**** Where 1 strongly disagrees, 2 disagree, 3Neutral, 4 agrees and 5 strongly agree***

Table 4.8 Responses to risk management plan-related questions by the WVE team

4.4.2. Project risk identification

4.4.2.1. Type of risks

Based on the table provided, it can be interpreted that the project is highly exposed to operational risks as it has the highest frequency percentage of 74.1%. Technical risks are the second most frequent type of risk for the project at 14.8%, followed by schedule risks at 7.4%, and budget risks being the least frequent at 3.7%. These results indicate that the project is primarily exposed to operational risks. It is important for the project team to carefully assess and manage these risks to reduce their potential impact on the project.

What type of risk that the project is highly exposed to?	Frequency	Percentage	Cumulative percent
Operational	20	74.1%	77.78
Technical	4	14.8%	100
Schedule	2	7.4%	85.19
Budget	1	3.7%	3.7

Table 4.9 Type of risk

4.4.2.2. Participation in the risk identification process

The data presented in the table represents the findings of a survey conducted among 27 participants to assess their level of involvement in the risk identification process. The participants were rated on a scale of 1 to 4, with the mean scores for project management, project technical support, and operations support being 3.41, 2.93, and 2.78 respectively. In contrast, beneficiaries received the lowest mean score of 2.04, indicating that they had less engagement in the risk identification

process than other groups. Other stakeholders, however, received a slightly higher mean score of 2.56, indicating a moderate level of involvement. The results and interview with senior managements revealed that project management was the most engaged group in the risk identification process, while beneficiaries had lower involvement. Therefore, it is crucial to ensure that all stakeholders are adequately involved in the risk identification process, to manage and mitigate potential risks effectively.

Participation in the risk identification process (n=27)	**Frequency ***				**Mean**	**SD**
	1	**2**	**3**	**4**		
Project management	3	0	7	17	3.41	0.97
Project technical supports	4	6	8	9	2.93	1.24
Operations support	3	7	10	7	2.78	0.97
Beneficiaries	8	12	5	2	2.04	0.89
Other stakeholders	5	6	12	4	2.56	0.97

(4- most frequent; 3 – frequent; 2 – neutral; 1 – least frequent)

Table 4. 10 Participation in the risk identification process

4.4.2.3. Major sources of risk for WVE

The data indicates that all major sources of risk that could impact the financial sustainability of World Vision's projects in Ethiopia are rated as most important to least important. The highest rated source of risk is security risk with a mean score of 3.56 and a relatively high standard deviation of 0.974, indicating that the perception of security risk among respondents varies widely. Contextual risks, programmatic risk, human resources management, donor relationship management, and institutional risk are all rated relatively similarly, with mean scores ranging from 2.74 to 3.26 and standard deviations ranging from 0.587 to 1.259. This suggests that World Vision faces a range of risks that are inherent to its operating context, programmatic implementation, and relationships with donors, employees, and external stakeholders. To ensure financial sustainability, it will be important for World Vision to develop comprehensive risk management strategies that address both the specific risks identified in this study and the broader systemic factors that contribute to risk.

Major sources of risk that could impact the financial sustainability of World Vision's projects in Ethiopia (n=27)	**Frequency ***				**Mean**	**SD**
	1	**2**	**3**	**4**		
Contextual risks	0	5	10	12	3.26	0.764

Major sources of risk that could impact the financial sustainability of World Vision's projects in Ethiopia (n=27)	Frequency *				Mean	SD
	1	2	3	4		
Programmatic risk	1	5	9	12	3.15	0.864
Human Resources Management	1	5	17	4	2.96	0.587
Donor relationship management	8	1	8	10	2.74	1.259
Institutional Risk	2	5	17	3	2.74	0.813
Security risk	4	5	14	4	3.56	0.974

*(4- most Important; 3 – Important; 2 – neutral; 1 – least important)

Table 4.11 Sources of risk for WVE as ranked by the sampled respondents

4.4.2.4 Responses to risk identification-related questions

To assess the risk identification procedures and instruments employed in the WVE project, a set of eight questions was developed. The initial inquiry aimed at understanding how the iterative process of identifying risks was carried out throughout the project's lifespan. The mean value of 4.63 and standard deviation of 0.63 indicated that the majority of participants viewed risk identification as an ongoing activity conducted throughout the project's duration. A range of tools and methods are available for identifying risks in projects, and respondents were asked to rate which techniques were used in the WVE project. The participants largely agreed that document review, expert judgment, checklist analysis, SWOT analysis, and information gathering were the most commonly employed techniques, with mean scores of 3.89, 3.81, 3.85, 4.37, and 3.67, respectively, and standard deviations ranging from 0.63 to 1.07. In contrast, respondents showed a neutral to negative disposition towards the frequent use of diagramming and assumption analysis techniques, with mean scores of 3 and 3.33, and standard deviations of 0.88 and 0.92, respectively, for both methods (see Table 4.11). Interviews with the WVE senior management team revealed that multiple instruments were employed to identify potential risks, with checklist analysis, document review, and SWOT analysis being the most prevalent. Senior management emphasized the significance of using diverse tools and techniques to evaluate areas for risk identification, highlighting the use of Riskonnect software as a digital tool in the risk identification process. Riskonnect is a provider of integrated risk management software solutions.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
In a World Vision project, risk identification is a continuous process carried out over the course o f the project to identify potential new risk.	0	0	2	6	19	4.63	0.63
The Method usually employed by world vision to identify risks is a document review	0	4	3	12	8	3.89	1.01
Expert judgment is typically the strategy used by World Vision to identify risks.	0	4	4	12	7	3.81	1.01
The method typically employed by World Visio n to detect risks is checklist analysis.	0	3	3	16	5	3.85	0.86
SWOT analysis is a method that World Vision r outinely employs to detect threats.	1	0	5	3	18	4.37	1.04
The method usually employed by World Vision t o identify risks is information gathering.	2	1	6	13	5	3.67	1.07
To identify risks, World Vision frequently emplo ys the diagramming technique.	2	4	13	8	0	3.00	0.88
The method typically employed by world vision to assess risks is assumption analysis.	1	3	11	10	2	3.33	0.92
Total						3.82	

**** Where 1 strongly disagrees, 2 disagree, 3Neutral, 4 agrees and 5 strongly agree***

Table 4.12 Responses to risk identification related questions

4.4.3 Risk Analysis

4.4.3.1. Tools and Techniques

The table shows that the primary tool and technique used in risk analysis is risk probability and impact assessment with a frequency percentage of 51.9%. This suggests that the project team considers the likelihood and severity of potential risks to prioritize their management strategies. Data gathering and representation techniques were the second most frequently used tool and technique at 22.2%. This includes techniques such as brainstorming, interviews, and surveys to identify and represent risks. Quantitative risk analysis and modeling techniques were used the least at only 3.7%. The project team also used risk categorization and expert judgment to aid their risk

analysis efforts. Overall, a variety of tools and techniques were used to analyze risks, with a total of 27 occurrences recorded.

What tool and technique are primarily used in risk analysis?	Frequency	Percentage	Cumulative percent
Risk probability and impact assessment	14	51.9%	100
Data gathering and representation techniques	6	22.2%	22.22
Quantitative risk analysis and modeling techniques	1	3.7%	37.04
Risk categorization	3	11.1%	33.33
Expert judgment	3	11.1%	33.33
Total	27	100%	

Table 4.13 Tool and technique primarily used in risk analysis

4.4.3.2. Basis of risk analysis

The data presented in the table highlights that risk analysis is predominantly concerned with ensuring the accomplishment of project objectives and assessing probability. Specifically, with 44.4% of respondents focusing on this objective, it emerges as the highest priority. Meanwhile, 40.7% of respondents based their risk analysis on probability, while 14.8% considered the project's outcome. In conclusion, the results indicate a strong emphasis on balancing risk and reward to ensure that project objectives are met successfully. Senior management confirmed in-depth interviews that their risk analysis process derives from two significant perspectives. The first perspective involves evaluating the probability of risks occurring by considering historical data and current trends. The second perspective involves assessing the potential impact of risks on various aspects of the project, including people, finances, reputation, and operations. By following this approach, senior management can develop effective strategies to manage and mitigate potential risks to ensure the success of the project.

Risks are primarily analyzed based on the following:	Frequency	Percentage	Cumulative percent
Probability	11	40.7%	100.00
Outcomes	4	14.8%	59.26
The accomplishment of the objective	12	44.4%	44.44
Total	27	100%	

Table 4.14 Basis of risk analysis

4.4.3.3. The practice of project risk analysis

The study polled participants on their risk analysis practices within WVE. The majority of respondents indicated that identified risks were effectively prioritized based on probability of occurrence and impact, with a mean score of 4.59 and standard deviation of 0.5. Participants also largely agreed that documents were updated after risk analysis and that risks were numerically analyzed based on overall project objectives, with mean scores of 4.33 and 4.26, respectively, and standard deviations ranging from 0.73 to 0.66. Additionally, most participants reported that the typical method utilized by WVE for risk detection was checklist analysis, with a mean score of 3.89 and standard deviation of 0.8.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
Risks are prioritized based on their Probability of occurrence and impact.	0	0	0	11	16	4.59	0.50
Identified risks are numerically analyzed on the overall objectives of the project.	0	0	3	14	10	4.26	0.66
Project documents are updated after risks are analyzed.	0	1	1	13	12	4.33	0.73
The method typically employed by World Visio n to detect risks is checklist analysis.	0	2	4	16	5	3.89	0.80
Total						4.27	

Table 4.15. The practice of project risk analysis

4.4.4 Risk Response

4.4.4.1 Risk response strategy

Table 4.15 presents the employed risk response strategy for the project. The majority of the respondents (62.97.1%) stated that mitigate and avoid (33.33%) were the most frequently utilized strategies for responding to risks, with 17 and 9 individuals applying them correspondingly. Overall, it appears that the project team prioritized mitigating risks as a response strategy. Furthermore, the interview supports this finding.

Risk response strategy that was primarily used in the project	Frequency	Percentage	Cumulative percent
Avoid	9	33.33%	33.33
Transfer	1	3.7%	100
Mitigate	17	62.97%	96.3
Total	27	100%	

Table 4.16 Risk response strategy

4.4.4.2 Risk response practices

It is widely agreed by the majority of participants that in case the selected strategy is not completely effective, a fallback plan should be devised. This is emphasized with a mean rating of 3.81, indicating the significance of having a fallback plan. Additionally, the majority of respondents strongly agree that actions and alternatives should be established to increase project opportunities and decrease probable threats. This is highlighted with a mean rating of 4.07, showing their strong commitment towards the importance of enhancing project outcomes. Further, the majority of respondents express their strong agreement towards strategies being developed to prevent or reduce all the identified risks, as indicated by a mean rating of 4.22. In terms of budgeting, most respondents agree that contingency reserves should always be calculated, with a mean rating of 3.93, highlighting the general agreement towards taking into account unforeseen events in project budgets.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
A fallback plan is always developed if the selected strategy is found to be not fully effective.	1	1	6	13	6	3.81	0.96
Actions and options are developed to enhance opportunities and reduce threats to project objectives.	0	1	1	20	5	4.07	0.62
Strategies are developed to prevent or mitigate all the identified risks.	0	3	1	10	13	4.22	0.97
During budgeting, the team always calculates contingency reserves.	1	0	7	11	8	3.93	0.96
Total						4.01	

Table 4.17 Risk response practices

4.4.5 Risk Control and Monitoring

4.4.5.1. Risk monitoring and Control tool and technique

The Risk monitoring and Control tool and technique are various methods used to monitor and control risks throughout a project's lifecycle. The results of the survey show that risk assessment is the most frequently used approach, with a majority of participants (70.4%) reporting using this technique. Variance and trend analysis were the second most commonly used technique but only reported by a small percentage (7.4%). Risk audit was used by 11.1% of respondents. Technical performance measurement was reported by a limited number of participants (3.7%), while meetings were also used but only by a small percentage (7.4%). These findings indicate that risk assessment was the primary tool utilized for controlling project risks.

Risk monitoring and Control tool and technique	Frequency	Percentage	Cumulative percent
Risk assessment	19	70.4%	77.78
Variance and trend analysis	2	7.4%	100
Risk Audit	3	11.1%	88.89
Technical performance measurement	1	3.7%	92.59
Meetings	2	7.4%	7.41
Total	27	100	

Table 4.18 Risk Monitoring and Control Tool and Technique

4.4.5.1. Risk Monitoring and Control Practices

The majority of respondents (17 out of 27) strongly agree that the monitoring and control of project-specific risks are aligned with the purpose and objective of the project, resulting in a mean score of 4.59 out of 5. Additionally, most respondents (at least 13 out of 27) agree that risks are reviewed regularly, risk response is reviewed periodically, and risk monitoring and control are ongoing processes, resulting in mean scores ranging from 4.48 to 4.52 out of 5. However, the assessment of project wide effectiveness of the risk management procedure received a lower mean score of 4.33 out of 5, indicating that it may be an area for improvement. The standard deviation for each statement is relatively low, suggesting a high level of agreement among the respondents. During a deep interview with the senior management, it was confirmed that the company has good practices in place for monitoring and controlling risks. These practices include two parts: risk control, which encompasses the use of existing systems to address risks, and risk treatment, which involves designing new treatments for risks that cannot be effectively addressed by the existing system. Additionally, the company conducts regular risk evaluations to ensure that these practices remain effective. The interview also revealed that there is an audit department responsible for conducting audits, which are divided into quarterly risk visited integrated audits (RVIA).

Statements (n=27)	**Frequency ***						
	1	**2**	**3**	**4**	**5**	**Mean**	**SD**
The monitoring and control of project-specific risks are carried out in a manner that aligns with the purpose and objective of the project.	0	0	1	9	17	4.59	0.57
Risks are reviewed regularly.	0	0	0	14	13	4.48	0.51
Risk response is reviewed periodically.	0	0	0	13	14	4.52	0.51
The project wide effectiveness of the risk management procedure is assessed.	0	0	0	18	9	4.33	0.48
In the project, risk monitoring and control are ongoing processes.	0	0	1	12	14	4.48	0.58
Total						4.48	

Table 4.19 Risk Monitoring and Control Practices

4.5. The overall practice of risk management

As shown in the table below, the respondents' average rating for the presence of guidelines recommending how to manage unexpected uncertainties was 4.11, indicating that such guidelines are present and have a positive impact on the project. Similarly, the query regarding the existence of a defined or standardized risk management process garnered an average response of 3.81, signifying that such a process exists and is functioning effectively. Most respondents believe that there is always a designated individual or department responsible for handling risks as they arise, with a mean score of 4.22 out of 5. Finally, the respondents generally agree that it is common to approach risk management as an ongoing process throughout a project, with a mean score of 4.15 out of 5. In addition, during the interview with senior management, they acknowledged the presence of a structured and consistent risk management process. WVE risk management system is highly advanced and operational on a global scale, overseen by Global World Vision. All actions are transparent to the global office, and have a risk enterprise management dashboard that provides a clear view of mitigated and unmitigated risks, as well as treatment deadlines.

Statements (n=27)	**Frequency ***						
	1	**2**	**3**	**4**	**5**	**Mean**	**SD**
There are policies and guidelines available to help manage unexpected uncertainties in your project.	1	2	2	10	12	4.11	1.09
Your project demonstrates an outstanding application of a well-defined or standardized risk management process.	1	4	2	12	8	3.81	1.14
Whenever a risk arises, there's always a designated individual or department responsible for handling it.	0	1	4	10	12	4.22	0.85
It is common to approach risk management as an ongoing process throughout a project.	1	2	0	13	11	4.15	1.03
Total						4.07	

Table 4.20 overall risk management practices

4.6. Risk Management Implementation Stage

The results of the survey indicate that risks are primarily analyzed based on the following stages of a project: planning, conceptualization, and implementation. Planning was the most commonly analyzed stage, with a majority of participants (59.3%) reporting that they analyze risks during this stage. Conceptualization was the next most frequently analyzed stage with 18.5% of

respondents reporting they analyze risks during this phase. Implementation had the lowest percentage of respondents (22.2%) who reported that they analyze risks during this stage. This outcome aligns with the senior manager's feedback during the interview. To recap the majority of respondents, focus on analyzing risks during the planning phase, followed by the implementation phase, while analyzing risks during conceptualization is less common. This suggests that organizations place greater emphasis on identifying and planning for risks upfront as part of the project planning process, rather than reacting to risks that arise during implementation.

Risks are primarily analyzed based on the following:	**Frequency**	**Percentage**	**Cumulative percent**
Conceptual	5	18.5%	18.52
Planning	16	59.3%	100
Implementation	6	22.2%	40.74
Total	27	100%	

Table 4.21 Risk Management Implementation Stage

4.7 Risk management practices' Effect on financial sustainability

4.7.1 Risk management techniques as an Aspect of financial sustainability

Using a scale of 1 to 5, statements related to financial sustainability and risk management techniques were assessed by the participants, who reported a mean score of 4.0 and a standard deviation of 1.18. This indicates that respondents believed their organization had effectively incorporated an ample number of financial risk detection tools. The mean score of 4.37, with a lower standard deviation of 0.69, indicated that having experts in the organization increases the likelihood of selecting appropriate and effective risk detection instruments. The respondents acknowledged the significance of their organization's audits (internal and external) in identifying potential risks, as indicated by a mean score of 4.41 and a standard deviation of 0.84. Technology was found to be the primary resource for risk detection processes in organizations, with a mean score of 4.07 and a standard deviation of 1.04. Finally, the participants agreed that top management support greatly contributes to successful financial risk detection, resulting in a mean score of 4.11 and a standard deviation of 0.97. In an in-depth interview with senior management, it was verified that the company has effective risk management practices in place. The management has set up a risk management department two years ago, which is still in the developing phase but has expertise

to enhance the efficacy of risk detection. Furthermore, the company relies on top management support and participation to detect risks.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
Our organization has effectively implemented numerous risk-detection tools.	1	4	0	11	11	4	1.18
Having expertise within the organization improves the selection of suitable and effective risk-detection instruments.	0	1	0	14	12	4.37	0.68
The audits conducted by the organization, both internally and externally, play a crucial role in identifying potential risks.	0	2	0	10	15	4.41	0.84
The organization primarily depends on technology for its risk-detection processes.	0	3	4	8	12	4.07	1.07
Success in detecting risk depends greatly on top management support.	0	2	5	8	12	4.11	0.97
Total						4.19	

Table 4.22 Risk management techniques as an Aspect of financial sustainability

4.7.2 Employee's Awareness of financial risk management

Table 4.23 provides an overview of how employee awareness is utilized for financial risk management. The results reveal that organizations prioritize employee training on risk management, as shown by the mean score of 3.63 and a standard deviation of 1.64. Conversely, the mean score of 3.56 and a standard deviation of 1.60 indicates that internal controls aimed at mitigating financial risks are well-established in WVE. Additionally, the respondents concur that enhancing employee awareness about financial risks serves to lower the organization's exposure to such risks, as indicated by a mean score of 3.11 and a standard deviation of 1.83. This discovery is also supported through interviews. The interviews also support the finding that enhancing employee awareness about financial risks is a priority for the organization. The process of enhancing awareness started at the top management level and is now in progress to reach all staff members.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
The company conducts training sessions for its employees on managing risks.	5	4	0	5	13	3.63	1.64
The organization has established well-defined internal controls to mitigate financial risks.	5	4	0	7	11	3.56	1.60
When employees are aware of potential risks, it can minimize the chances of the organization being negatively impacted by those risks.	9	4	0	3	11	3.11	1.83
Total						3.43	

Table 4.23 Employee's Awareness of financial risk management

4.7.3 Indicators of Financial Sustainability

According to the survey, organizations possess sufficient resources to allocate towards their activities, with a mean score of 4.04 and a standard deviation of 1.06. The majority of projects are completed on schedule and budget, with a mean score of 3.81 and a standard deviation of 1.42. The results further indicate that the organizations have adequate resources to manage in case of contingency, with a mean score of 3.74 and a standard deviation of 1.35. Additionally, senior management interviews confirm the effectiveness of resource allocation, project management, and contingency planning practices.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
The organization possesses sufficient resources to allocate toward the activities it undertakes.	2	0	2	14	9	4.04	1.18
Projects are completed on time as per the planned budget and schedule.	2	5	2	5	13	3.81	1.42
The organization has sufficiently set-aside resources in case of any contingency.	4	1	1	13	8	3.74	1.35
Total						3.86	

Table 4.24 Indicators of Financial Sustainability

4. 7.4 Impact of Risk on Financial Sustainability

Based on the survey results, 77.8% of respondents agreed that risk affects financial stability. Of those who agreed, 44.4% believed that the impact was medium, 18.5% thought it was great, and 11.1% believed it was very great. Additionally, 25.9% of respondents were not sure about the

extent of the impact. These results suggest a general consensus that risk does indeed impact financial stability, with varying degrees of certainty about the severity of that impact.

		Frequency	Percentage	Cumulative percent
Risk Affects financial stability.	Yes	21	77.8%	100
	No	6	22.8%	22.22
	Total	27	100%	
If Yes, the Extent of the Impact	Medium impact	12	44.4%	62.96
	Not sure	7	25.9%	88.89
	Great Impact	5	18.5%	18.52
	Very great impact	3	11.1%	100
	Total	27	100%	

Table 4.25 Impact of Risk on Financial Sustainability

4.7.3 Risk Management and Financial Sustainability

The survey participants were asked to share their opinions on the relationship between risk management and financial sustainability. According to the results, most respondents believe that the organization's risk management practices have improved its financial sustainability (with an average score of 3.44 out of 5) and that resources have been effectively allocated towards risk management, leading to significant financial savings (with an average score of 3.33 out of 5). While the mean score of 2.56 and standard deviation of 1.5 indicate that risk management strategies do not primarily focus on financial controls, many respondents still agree that good risk management techniques have been crucial in ensuring that the organization has sufficient funds to support its activities (average score of 3.07 out of 5) and has saved considerably by implementing effective risk management techniques (average score of 3.29 out of 5). Overall, the study reveals that the organization's financial stability has benefited from risk management techniques, leading to an increase in stakeholder confidence (with an average score of 3.59 out of 5). The senior management also emphasized that risk management benefits the organization beyond financial sustainability. The implementation of enterprise risk management has aided in detecting fraud and

ensuring compliance with regulations. The financial stability of the WVE is just one outcome among the 19 different categories of risks that the WVE addresses. Furthermore, during the interview process, the senior management reaffirmed that there has been significant progress in achieving financial stability after implementing risk management practices. This assertion highlights the importance of properly managing risks and how it can positively affect an organization's overall performance.

Statements (n=27)	Frequency *						
	1	2	3	4	5	Mean	SD
The organization's risk management practices have improved its financial sustainability.	5	5	0	7	10	3.44	1.60
The organization has effectively allocated resources toward risk management, resulting in significant financial savings.	5	4	3	7	8	3.33	1.52
The risk management strategies utilized by the organization primarily concentrate on financial controls.	9	6	5	2	5	2.56	1.50
Good risk management techniques have played a crucial role in ensuring that the organization has adequate funds to support its activities.	8	4	2	4	9	3.07	1.71
The organization has saved a lot on risk investigation by implementing effective risk management techniques.	6	4	2	6	9	3.29	1.61
The organization's financial stability has been positively impacted by risk management techniques, leading to increased confidence among stakeholders.	6	3	0	5	13	3.59	1.69
Total						3.21	

Table 4.26 Risk Management and Financial Sustainability

4.8 Effect of risk management practices on financial sustainability

4.8.1. Relative importance index (RII)

In this study, Relative index analysis was utilized to sought to determine the relationship between the financial sustainability and risk management practices.

The following formula is used to determine the relative index

$$\mathrm{RI} = \sum W / (A * N)$$

where W represents the weighting given by each respondent on a scale of one to five, with one indicating the lowest value and five representing the highest.

A signifies the highest weight, while N represents the total sample size.

The weighted average for the two groups is then determined based on the ranking (R) of relative indices (RI). Akadiri (2011) suggests that RI values can be transformed into five levels of importance: high (H) ($0.8 \leq RI \leq 1$), high-medium (H-M) ($0.6 \leq RI \leq 0.8$), medium (M) ($0.4 \leq RI \leq 0.6$), medium-low (M-L) ($0.2 \leq RI \leq 0.4$), and low (L) ($0 \leq RI \leq 0.2$).

As stated in Table 27 in terms of priorities for the organization, the most important criteria based on the relative index (0.7185) and ranking (1) is the positive impact of risk management techniques on financial stability and stakeholder confidence. This should be the primary focus going forward, given its high importance level (High to Medium). The organization should also continue to effectively allocate resources toward risk management (relative index of 0.6667), which has resulted in significant financial savings. While financial controls are a key focus of the organization's risk management strategies (relative index of 0.5111), which is in the medium-low (M-L) range. Which shows that financial controls are important, but they are not be the highest priority in terms of the organization's overall risk management strategy.

Based on the ranking, this criterion is ranked 6th out of the 6 criteria provided, with a relatively low importance level. This suggests that while financial controls are important, they may not be the highest priority in terms of the organization's overall risk management strategy.

Overall, the WVE’s risk management practices have had a significant positive impact on its financial sustainability and stability. The organization has effectively allocated resources toward risk management, resulting in significant financial savings. The use of financial controls as primary risk management strategies is noted, indicating a focus on addressing financial risks. The effectiveness of good risk management techniques has played a crucial role in ensuring that the organization has adequate funds to support its activities. The organization has also saved significantly on risk investigation by implementing effective risk management techniques. Finally, it is noted that the organization's financial stability has been positively impacted by risk management techniques, leading to increased confidence among stakeholders.

Criteria	Frequency *					W	N	A	Relative Index	Ranking	Importance level
	1	2	3	4	5						
The organization's risk management practices have improved its financial sustainability.	5	5	0	7	10	93	27	5	0.6889	2	High - Medium (HM)
The organization has effectively allocated resources toward risk management, resulting in significant financial savings.	5	4	3	7	8	90	27	5	0.6667	3	High - Medium (HM)
The risk management strategies utilized by the organization primarily concentrate on financial controls.	9	6	5	2	5	69	27	5	0.5111	6	medium-low (M-L
Good risk management techniques have played a crucial role in ensuring that the organization has adequate funds to support its activities.	8	4	2	4	9	83	27	5	0.6148	5	High-Medium (HM)
The organization has saved a lot on risk investigation by implementing effective risk management techniques.	6	4	2	6	9	89	27	5	0.6593	4	High-Medium (HM)
The organization's financial stability has been positively impacted by risk management techniques, leading to increased confidence among stakeholders.	6	3	0	5	13	97	27	5	0.7185	1	High to Medium (HM)

**** Where 1 strongly disagrees, 2 disagree, 3Neutral, 4 agrees and 5 strongly agree***

Table 4.27 the relative importance index for Risk Management effect on Financial Sustainability

4.9 Qualitative Data Analysis

1. What role do you play in WVE? And how long have you been engaged in it?

The two respondents hold the positions of department head of risk management and vice head of finance, boasting a collective experience of over 15 years.

2. Does WVE have a risk management plan in place? If so, is it aligned with the overall project plan? Does the project follow a standard risk management process (i.e., risk planning? Risk identification, risk analysis, Risk response, monitoring, and control)?

Yes, both respondents confirmed that WVE (World Vision Enterprise) has a risk management plan in place. This plan is designed to align with the overall project plan, ensuring that risk management activities are integrated into the project's framework. In terms of the risk management process, the respondents indicated that WVE follows a standard risk management approach. This typically involves the following key steps:

1. Risk Planning: The risk management team develops a comprehensive plan that outlines the goals, strategies, and methodologies for managing risks throughout the project's lifecycle. This plan ensures that risk management activities are clearly defined and coordinated.
2. Risk Identification: Risks are identified through a systematic and thorough assessment process. This involves identifying potential hazards, examining past project experiences, and engaging stakeholders to gather insights on potential risks.
3. Risk Analysis: The identified risks are then analyzed to determine their potential impact on the project's objectives and goals. The risk management team assesses the likelihood and severity of each risk, allowing for better prioritization and allocation of resources.
4. Risk Response: Based on the analysis, appropriate response strategies are developed to address identified risks. These strategies may involve risk avoidance, mitigation, acceptance, or transfer. The aim is to minimize the likelihood and impact of risks on the project's success.
5. Monitoring and Control: Throughout the project, the risk management team continuously monitors and controls the identified risks. This includes tracking the effectiveness of risk response strategies, regularly reviewing risk mitigation measures, and making necessary adjustments as the project evolves.

The respondents emphasized the importance of adhering to this standardized risk management process. They explained that by following these steps, WVE can effectively identify, respond to, and control risks, thus enhancing the likelihood of project success while minimizing potential disruptions.

3. Tell me in detail how are risk management processes are implemented in WVE?

As the two respondents said the risk management process in WVE involves several stages. Firstly, there is risk identification, where potential risks are identified based on their probability of occurrence and potential impact. Following this, a risk analysis is conducted to assess the severity and potential consequences of these risks. Afterwards, risk mitigation takes place, which consists of two parts. The first is risk control, whereby existing systems and measures are utilized to manage and address identified risks. The second part is risk treatment, which occurs when the existing systems are insufficient in managing the risks, necessitating the design and implementation of new risk treatments. Additionally, WVE has an audit department that conducts annual audits on the different departments. These audits are divided into four quarters and are known as Risk Visited Integrated Audits (RVIA). The audit department ensures that risk mitigation is in place and assesses if all identified risks have been adequately addressed. Overall, this comprehensive risk management approach in WVE includes risk identification, analysis, mitigation, evaluation, and regular audits to ensure that risks are effectively managed throughout the organization.

4. Is there a formal and documented process for managing risks in the project? Additionally, what is the current practice for risk management within the project?

Both respondents replied in WVE, they utilize a specialized software called Riskonnect (https://riskonnect.com/uk/) for risk management purposes. This software serves as a comprehensive tool to handle the entire risk management process, including risk identification, mitigation, and control. The Riskonnect software allows for efficient and systematic risk identification by streamlining the process and ensuring all potential risks are adequately captured. Through this software, risks are categorized based on their probability of occurrence and potential impact, enabling a more targeted and focused approach to risk management. Once risks are identified, the software facilitates the design and implementation of mitigation strategies and control measures. These measures are specifically tailored to address the identified risks, ensuring a proactive and systematic approach to risk management within WVE. Furthermore, the

Riskonnect software enables ongoing monitoring and control of risks. It provides real-time data, allowing for continuous evaluation and adjustment of risk mitigation strategies as needed. This ensures that risks are effectively managed throughout the project lifecycle, reducing the likelihood and impact of potential incidents. Overall, the utilization of the Riskonnect software enables WVE to have a structured and comprehensive risk management system. It centralizes the risk management process, facilitating seamless communication and collaboration across departments, and ensuring a proactive and efficient approach to risk mitigation and control.

5. Do the project team members have a clear understanding of how to manage risks without compromising the project's objectives or goals?

Both respondents explained that while they provide training and support for risk management, they acknowledged that not everyone in the project team may have a comprehensive understanding of how to manage risks without compromising the project's objectives or goals. They recognized the need for continued education and communication to ensure that all team members are equipped with the necessary knowledge and skills to effectively handle risks. To address this, they emphasized the importance of giving training starting from the top, ensuring that the project leaders and key stakeholders are well-versed in risk management principles and practices. They believe that by setting a strong example and providing guidance, the project team members can gradually develop a clearer understanding of how to manage risks in a way that aligns with the project's objectives and goals. The respondents expressed their hope for the future maturation of the department, as this would likely contribute to a better understanding of risk management practices among all project team members. They believe that with time and continued efforts to promote awareness and knowledge, the entire team will be able to navigate risks effectively without compromising the project's objectives or goals.

6. Is there a designated department or individual responsible for managing project risks throughout its lifecycle? Furthermore, at what point in the project are these risks typically addressed?

Both respondents confirmed that there is a designated department within their organization responsible for managing project risks throughout the entire project lifecycle. They mentioned that the risk management department, which is headed by one of the respondents, takes charge of identifying, assessing, and mitigating potential risks at every phase of the project. Regarding the timing of risk management activities, they explained that risks are typically addressed at multiple

points throughout the project. Risk identification and assessment begin early on during the project's initial assessment stage, when potential risks are identified and analyzed. As the project progresses, the risk management team continues to monitor and address risks during the implementation stage, ensuring that the necessary treatments and measures are put in place to mitigate potential issues. Both respondents highlighted the importance of a proactive approach to risk management, emphasizing that risks should be addressed throughout the project's lifecycle rather than only in the initial planning stages. They believe that by continuously monitoring and managing risks, the project team can effectively anticipate and respond to potential challenges, thereby increasing the project's chances of success. Additionally, they emphasized the existence of a well-established risk management system operating on a global scale. This system is overseen by Global World Vision, ensuring that all actions taken within the department are visible to the global office. There is also a risk enterprise management dashboard in place, which clearly displays mitigated and unmitigated risks, as well as treatments with elapsed or upcoming due dates.

7. How has your risk management framework helped to improve your company's financial sustainability?

Both respondents noted that their risk management framework has played a crucial role in enhancing their company's financial sustainability. By proactively identifying and addressing risks at every stage of project implementation, they have been able to mitigate potential financial setbacks and avoid costly errors. This approach has helped them maintain financial stability by minimizing losses and maximizing profitability. Furthermore, the risk management system has provided them with a holistic view of the organization's financial landscape, allowing them to make informed decisions and allocate resources effectively. By closely monitoring and managing risks, they have been able to optimize financial performance and ensure the company's long-term sustainability. Overall, the risk management framework has served as a valuable tool for safeguarding the company's financial health, fostering growth, and maximizing returns on investment.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMENDATIONS

5.1. Summary of the major findings

This study attempted to assess risk management practices and its effect on financial sustainability in international CSO projects in Ethiopia: the case of World Vision Ethiopia. Below are the summaries of major findings:

- The results show that the project management team is predominantly male and middle-aged, with most of the respondents having a master's degree and more than ten years of experience in project-related works. Program Manager is the most common position held, with most individuals working in WVE for 6-10 years. All participants in the study exhibited knowledge of risk management practices, mostly gained through training organized by the project/World Vision. The majority of respondents participated in at least one stage of the project risk management process and considered risk management to be "very important."
- Effective management of project risks requires careful planning. A survey conducted on WVE showed that most respondents agreed that planning meetings are necessary to prepare a project risk management plan. Staff and key stakeholder participation in the planning process, well-developed risk management plans, and assigning responsibility for identified risks were also viewed positively. Participating in the planning process was seen as a learning opportunity. The risk planning process is an ongoing activity that is regularly reviewed and updated to ensure preparedness. The involvement of staff and stakeholders in the planning process is crucial for success. An in-depth interview with senior management confirmed the presence of a comprehensive risk management plan. Proper training of the project team members has helped them handle uncertainties effectively. Overall, WVE has a systematic and careful risk planning process.
- The project is highly exposed to operational risks with the highest frequency percentage of 74.1%, followed by technical risks at 14.8%, schedule risks at 7.4%, and budget risks at 3.7%. The project management team had the highest level of involvement in the risk identification process, while beneficiaries had the lowest. Security risk is rated as the most important source of risk for the WVE project, followed by contextual risks, programmatic risk, human resource

management, donor relationship management, and institutional risk. The majority of participants viewed risk identification as an ongoing activity conducted throughout the project's duration. The most commonly employed techniques for identifying risks in the project are document review, expert judgment, checklist analysis, SWOT analysis, and information gathering. Diagramming and assumption analysis techniques were less frequently used. Multiple instruments were employed to identify potential risks, with the Riskonnect software being a prevalent digital tool in the risk identification process.

- The primary tool and technique used in risk analysis is risk probability and impact assessment with a frequency percentage of 51.9%. Risk analysis is predominantly concerned with ensuring the accomplishment of project objectives and assessing probability, with a strong emphasis on balancing risk and reward. The majority of identified risks were effectively prioritized based on probability of occurrence and impact, and the project team prioritized mitigating risks as a response strategy. Participants strongly agreed on the importance of having a fallback plan, establishing actions and alternatives to increase project opportunities and reduce threats, developing strategies to prevent or reduce identified risks, and calculating contingency reserves for unforeseen events in project budgets.
- Risk assessment is the most frequently used approach for monitoring and controlling risks throughout the project lifecycle, according to the survey results. The majority of respondents strongly agree that monitoring and control of project-specific risks are aligned with the project's purpose and objectives and that risks are regularly reviewed and monitored through an ongoing process. However, the assessment of project-wide effectiveness of risk management received a lower mean score, indicating an area of improvement. The senior management confirms good practices in place for monitoring and controlling risks, including regular risk evaluations and an audit department responsible for conducting audits. There are quarterly risk visited integrated audits (RVIA) in place to address risks that cannot be effectively addressed by the existing system.
- The survey results indicate that there are guidelines for managing unexpected uncertainties and a defined or standardized risk management process. There is always a designated individual or department responsible for handling risks, and risk management is an ongoing process throughout the project. Senior management confirms the presence of a structured and consistent risk management process. Risks are primarily analyzed during the planning phase,

followed by implementation, and conceptualization is the least common stage for risk analysis. This suggests that organizations prioritize identifying and planning for risks upfront as part of the project planning process. The WVE risk management system is highly advanced and operational on a global scale, overseen by Global World Vision, with an enterprise management dashboard that provides a clear view of mitigated and unmitigated risks.

- The study found that risk management practices have a significant effect on financial sustainability, with organizations using a range of risk detection tools and relying on experts, internal and external audits, technology, and top management support. Employee awareness of financial risk management and training is also a priority for organizations. Indicators of financial sustainability, such as resource allocation, project management, and contingency planning, were found to be effective. The impact of risk on financial stability was recognized, with varying degrees of certainty about its severity. Overall, risk management practices are essential for achieving financial sustainability and ensuring the long-term success of organizations.
- The study found that most respondents believed that the organization's risk management practices had improved its financial sustainability and that resources had been effectively allocated towards risk management, leading to significant financial savings. Although risk management strategies did not primarily focus on financial controls, many respondents still agreed that good risk management techniques had been crucial in ensuring that the organization has sufficient funds to support its activities and has saved considerably. The implementation of enterprise risk management has also aided in detecting fraud and ensuring compliance with regulations. A Relative Importance Index was used to determine that the positive impact of risk management techniques on financial stability and stakeholder confidence should be the primary focus going forward, followed by effectively allocating resources towards risk management. While financial controls are important, they may not be the highest priority in terms of the organization's overall risk management strategy. Overall, risk management practices have had a significant positive impact on the organization's financial sustainability and stability and led to increased confidence among stakeholders.

5.2 Conclusion

In conclusion, the study revealed the critical role risk management practices play in ensuring the long-term success of international CSO projects in Ethiopia, focusing on World Vision Ethiopia as a case study. The study showed the importance of proper planning, staff and stakeholder involvement, ongoing risk monitoring and control, and the use of effective risk management tools in managing risks related to operations, technology, schedule, and budget.

Furthermore, the findings indicated that risk management practices have a substantial positive impact on financial stability and stakeholder confidence, leading to increased financial savings, fraud detection, and adherence to regulations. However, the study suggests that improvements can be made, particularly in the project-wide assessment of risk management effectiveness and the prioritization of financial controls within the overall risk management strategy.

The WVE project management team demonstrated a comprehensive understanding of risk management practices acquired through training. Effective management of project risks requires careful planning, well-structured risk management plans, clearly assigned responsibilities, and participation of staff and stakeholders. The project is primarily exposed to operational risks, with security risk being the most significant source of risk.

Risk identification is an ongoing process, and various instruments such as Riskonnect software are employed to identify potential risks. Risk analysis focuses on ensuring project objectives are met, and risks are prioritized based on their likelihood of occurrence and impact. Risk assessment is the most frequently used approach for monitoring and controlling risks throughout the project lifecycle. However, the study suggests that monitoring the project-wide efficacy of risk management needs improvement.

Overall, effective risk management practices have a significant positive impact on financial sustainability and stability, increasing stakeholder confidence and financial savings. Moving forward, organizations should prioritize the positive impact of risk management techniques on financial stability and stakeholder confidence. This study highlights the importance of risk management practices for international CSOs' long-term financial success.

5.3 Recommendation

The following recommendations are forwarded to the WVE and future researchers.

• Within their project management approach, WVE should give priority to risk planning and provide adequate training to team members to effectively handle uncertainties.

• The project team needs to prioritize the management of operational risks by implementing robust processes and controls and involving all stakeholders in the risk identification process.

• To ensure effective risk management, all stakeholders, including beneficiaries, should be adequately involved in the risk identification process. This can be achieved through regular communication and collaboration, training and awareness programs, and feedback mechanisms to ensure all stakeholders are heard.

• A fallback plan must always be developed in case the selected risk response strategy is not completely effective.

• The effectiveness of the WVE risk management procedures should be thoroughly evaluated, particularly during the planning stage of a project.

• WVE should prioritize risk management practices and focus on increasing employee awareness and expertise in financial risk management to ensure financial sustainability.

• WVE must prioritize risk management practices when designing and implementing their projects to enhance financial sustainability.

• The WVE should continually evaluate and monitor the impact of risks on its financial stability, and proactively manage and mitigate potential risks

For future researches:

- A larger-scale study involving multiple CSO in Ethiopia is recommended to evaluate the efficacy of risk management practices in achieving project success and financial sustainability, as well as to identify opportunities for improvement.
- A comparative study is suggested to determine the effectiveness of various risk management practices in international CSO projects. This study could compare the effectiveness of holistic risk management practices against specific practices in financial management, project management, and resource allocation, considering both external and internal factors.

- The current study used mostly quantitative methods with some limited qualitative components, therefore it is suggested that future research should include more comprehensive qualitative approaches, such as interviews and focus group discussions, to provide a more accurate assessment of the impact of risk management practices on the financial sustainability of organizations.

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ANNEX 1, Questionnaire

Dear Participant,

My name is Hawi Belete. I am a student in the MA in project management program at Addis Ababa University School of Commerce. As part of my Master's degree project work in the area of project management, I am doing a study on assessing risk management practices and their effect on financial sustainability in international CSO projects in Ethiopia: the case of World Vision. I am therefore kindly requesting your support in filling out the questionnaire. Your experience and educational background in the organization greatly contributed to the success of this research, and will be an input for the development of risk assessment in CSO. Thank you for agreeing to fill out the questionnaire. Answer the following questions as honestly as possible. The information you provide will be treated with the utmost confidentiality.

Instruction(s): Please indicate your chosen option with a tick. Where no choices are provided, write your responses in the spaces provided. I would like to thank you in advance for taking the time to fill out the questionnaire. You can e-mail me at hawbelt@gmail.com or call me at 0912-228541 if you have any questions.

Thank you!

Part I: General information about the respondent

1. Please indicate your gender:

Male [ ] Female [ ]

2. Please indicate your age bracket:

25 – 34Years [ ] 35 – 44Years [ ]

45 - 54Years [ ] above 55 Years [ ]

3. What is your highest level of education;

First Degree [ ] Masters [ ]

PhD [ ] other [ ] please specify_____

4. How many years of experience in program/project-related work?

1 – 5 years [ ] 6-10 years [ ] 11-15 years [ ]

16-20 years [ ] more than 21 years [ ]

5. What is your position in WVE? ----------

6. How many years have you been working in this organization?

1 – 5 years [ ] 6-10 years [ ] 11-15 years [ ]

16-20 years [ ] more than 21 years [ ]

Part 2: Knowledge of Project Risk Management

7. Do you have any experience with risk management?

Yes [ ] No [ ]

8. If yes, how familiar are you with risk management? (Multiple answers are possible)

Self-learning [ ] Formal education/training [ ]

Through training organized by the project/World Vision [ ]

Other [ ] specify it ----------

9. Have you ever participated in the project risk management process?

Yes [ ] No [ ]

10. Compared to time and cost management, how significant is risk management in achieving project objectives?

Very Significant [ ] Significant [ ] Neutral [ ]

Less Significant [ ] Not very Significant [ ]

Question on Project Risk Management Process

Part 3: Question on plan Risk Management

11. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagree, 3Neutral, 4 agrees and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	Planning meetings were held by World Vision to create a project risk management plan.					
II.	Staff members participate in the project risk management planning process as members of the project team.					
III.	The project's key stakeholders participate in the risk management planning process.					
IV.	The risk management strategy for World Vision is well-developed and outlines the entire process of risk identification, analysis, reaction plan, monitoring, and control.					
V.	Each risk has a responsible person assigned by the plan for risk management.					

VI.	The planning process may provide an opportunity to learn about risk.					

Part 4: Questions, tools, and techniques are used to identify risks

12. What type of risk that the project is highly exposed to?

Operational [ ] Technical [ ] Schedule [ ] Budget [ ]

13. Who participates in the process of risk identification? Rank them (1-4) according to the frequency of the practice. (**4- most frequent; 3 – frequent; 2 – neutral; 1 – least frequent)**

Project Management	4[ ]	3[ ]	2 [ ]	1 [ ]
Project technical supports	4[ ]	3[ ]	2 [ ]	1 [ ]
Operations support	4[ ]	3[ ]	2 [ ]	1 [ ]
Beneficiaries	4[ ]	3[ ]	2 [ ]	1 [ ]
Other stakeholders	4[ ]	3[ ]	2 [ ]	1 [ ]

14. What are the major sources of risk that could impact the financial sustainability of World Vision's projects in Ethiopia? Rank 1-4 according to its importance.**(4 – Most important; 3 – Important; 2 – Neutral; 1 – Least important)**

Contextual risks	4[ ]	3[ ]	2 [ ]	1 [ ]
Programmatic Risks	4[ ]	3[ ]	2 [ ]	1 [ ]
Human Resources Management	4[ ]	3[ ]	2 [ ]	1 [ ]
Donor Relationship Management	4[ ]	3[ ]	2 [ ]	1 [ ]
Institutional risk	4[ ]	3[ ]	2 [ ]	1 [ ]

Security risks	4[ ]	3[ ]	2 [ ]	1 [ ]

Other, please specify----------

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15. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **one strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	In a World Vision project, risk identification is a continuous process carried out over the course of the project to identify potential new risks .					
II.	The Method usually employed by world vision to identify risks is a document review.					
III.	Expert judgment is typically the strategy used by World Vision to identify risks.					
IV.	The method typically employed by World Vision to detect risks is checklist analysis.					
V.	SWOT analysis is a method that World Vision routinely employs to detect threats.					
VI.	The method usually employed by World Vision to identify risks is information gathering.					
VII.	To identify risks, World Vision frequently employs the diagramming technique.					

#	**Statement**	1	2	3	4	5
VIII.	The method typically employed by world vision to assess risks is assumption analysis.					

Part 5: Questions on risk analysis

16. What method and tool are most frequently utilized in risk analysis?

Risk probability and impact assessment [ ] Data gathering and representation techniques [ ] Quantitative risk analysis and modeling techniques [ ]

Risk categorization [ ] Expert Judgment [ ]

17. Risks are primarily analyzed based on the following:

Probability [ ] Outcome [ ]

Financial Income [ ] Accomplishment of the objectives [ ]

18. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
	Risks are prioritized based on their probability of occurrence and impact.					
I	Identified risks are numerically analyzed on the overall objectives of the project.					
II	Project documents are updated after risks are analyzed.					

#	**Statement**	1	2	3	4	5
IV	The method typically employed by World Vision to detect risks is checklis t analysis.					

Part 6: Questions on risk response

19. Which of the following risk response strategy that was primarily used in the project?

Avoid [ ]

Transfer [ ]

Mitigate [ ]

Accept [ ]

20. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	A fallback plan is always developed if the selected strategy is found to be not fully effective.					
II.	Actions and options are developed to enhance opportunities and reduce threats to project objectives.					
III.	Strategies are developed to prevent or mitigate all the identified risks.					

IV.	During budgeting, the team always calculates contingency reserves.					

Part 6: Questions on monitoring and control risks

21. What tool and technique was primarily used in risk monitoring and Control?

Risk assessment [ ] Variance and trend analysis [ ] Risk audit [ ]

Technical Performance Measurement [ ] Reserve analysis [ ] Meetings [ ]

22. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	The monitoring and control of project-specific risks are carried out in a manner that aligns with the purpose and objective of the project.					
II.	Risks are reviewed regularly.					
III.	Risk response is reviewed periodically.					
IV.	The project-wide effectiveness of the risk management procedure is assessed.					
V.	In the project, risk monitoring and control are ongoing processes.					

Part 7: General questions on the overall practice of risk management

23. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	There are policies and guidelines available to help manage unexpected uncertainties in your project.					
II.	Your project demonstrates an outstanding application of a well-defined or standardized risk management process.					
III.	Whenever a risk arises, there's always a designated individual or department responsible for handling it.					
IV.	It is common to approach risk management as an ongoing process throughout a project.					

24. At what stage of the project risk management is implemented?

Conceptual [ ]

Planning [ ]

Implementation [ ]

Closure stage [ ]

Part 8: Questions on risk management practices' effect on financial sustainability

25. Below statements relate to risk management techniques as an aspect of financial sustainability. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I.	Our organization has effectively implemented numerous risk-detection tools.					
II.	Having expertise within the organization improves the selection of suitable and effective risk-detection instruments.					
III.	The audits conducted by the organization, both internally and externally, play a crucial role in identifying potential risks.					
IV.	The organization primarily depends on technology for its risk-detection processes.					
V.	Success in detecting risk depends greatly on top management support.					

26. The following questions relate to employee awareness of financial risk management. Please indicate your opinion on the following dimensions [1 =Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

#	**Statement**	1	2	3	4	5
I.	The company conducts training sessions for its employees on managing risks.					
II.	The organization has established well-defined internal controls to mitigate financial risks.					

III.	When employees are aware of potential risks, it can minimize the chances of the organization being negatively impacted by those risks.					

27. The following statements relate to financial sustainability within your organization. Kindly indicate the extent to which you agree with each statement. Use a scale of 1-5 where **1 strongly disagrees, 2 disagrees, 3 is Neutral, 4 agrees, and 5 strongly agree.** Please tick on that best represents your level of Agreement.

#	**Statement**	1	2	3	4	5
I	The organization possesses sufficient resources to allocate toward the activities it undertakes.					
II	Projects are completed on time as per the planned budget and schedule.					
III	The organization has sufficiently set-aside resources in case of any contingency.					

28. The following statements refer to the relationship between risk management and financial sustainability. Please indicate your opinion on the following dimensions [1 =Strongly Agree, 2=Agree, 3=Not sure, 4=Disagree, 5=Strongly Disagree].

#	**Statement**	1	2	3	4	5
I.	The organization's risk management practices have					

#	**Statement**	1	2	3	4	5
	improved its financial sustainability.					
II.	The organization has effectively allocated resources toward risk management, resulting in significant financial savings.					
III.	The risk management strategies utilized by the organization primarily concentrate on financial controls.					
IV.	Good risk management techniques have played a crucial role in ensuring that the organization has adequate funds to support its activities.					
V.	The organization has saved a lot on risk investigation by implementing effective risk management techniques.					
VI.	The organization's financial stability has been positively impacted by risk management techniques, leading to increased confidence among stakeholders.					

29. In your opinion, has the existence of risks affected your organization's financial stability?

Yes [ ] No [ ]

If yes, how great has the impact been?

Medium impact [ ] Not sure [ ]

Great impact[ ] Very great impact [ ]

END

THANK YOU FOR YOUR RESPONSE

Interview Questions

Risk Management Practices and Its Effect on Financial Sustainability in International CSO Projects in Ethiopia: The Case of World Vision

1. What role do you play in WVE? And how long have you been engaged in it?
2. Does WVE have a risk management plan in place? If so, is it aligned with the overall project plan? Does the project follow a standard risk management process (i.e., risk planning? Risk identification, risk analysis, Risk response, monitoring, and control)?
3. Tell me in detail how are risk management processes are implemented in WVE?
4. Is there a formal and documented process for managing risks in the project? Additionally, what is the current practice for risk management within the project?
5. Do the project team members have a clear understanding of how to manage risks without compromising the project's objectives or goals?
6. Is there a designated department or individual responsible for managing project risks throughout its lifecycle? Furthermore, at what point in the project are these risks typically addressed?
7. How has your risk management framework helped to improve your company's financial sustainability?

THANK YOU FOR YOUR RESPONSE