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EFFECT OF RISK MITIGATING STRATEGY ON PERFORMANCE OF WOMEN FUNDED PROJECTS IN MERU COUNTY, KENYA

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Abstract: **The purpose of the study was to analyze the effect of risk the effect of risk mitigating strategy on performance of women funded projects in Meru county, Kenya. The study employed descriptive survey research design. The study primary data was gathered from respondents using a semi structured closed questionnaire instrument with an adopted Likert scale of 1-5. The target population was more than 1000. Quota sampling method was used to help identify the target group by dividing into groups. Convenience sampling was used to select the Women projects representatives, and Project managers, committee members, Monitoring and Evaluation officers, Government officers, Funding agencies. A total of 100 participants were therefore chosen from the listed groups. The respondents were women funds committee members, project managers, monitoring and evaluation officers, relevant government officers and the agencies funding the women projects in Meru county through identical self-administered questionnaire designed accordingly. Quantitative data was analyzed through descriptive statistics Qualitative data was analyzed through content analysis which in turn was analyzed through data themes, patterns and subtopics. Multiple regression analysis was used to estimate the relationship among independent variables and dependent variable. Data was presented using tables, graphs, charts and narrative forms. The study established that risk mitigation affects project performance to a great extent.**

Keywords: **Risk Mitigation, Strategy, Performance, and Women Funds.**

1. INTRODUCTION

Project risk management is a world concern as International risk management standards have been introduced. The ISO 31000 international standard on risk management gives a useful frame of reference to assist HR directors to place HR strategy within the context of risk management success but they should focus on constituting effective project risk management strategies including risk avoidance, risk reduction, risk transfer and risk retention strategy to contribute to the achievement. In particular, the ISO principles and guidelines document (ISO, 2009) is extremely important. The document recommends that HR practitioners become directly involved in: embedding risk management as an integral part of all organizational processes, including managing change, considering human and cultural factors and, more specifically, recognizing the capabilities, perceptions and intentions of external and internal people who can facilitate or hinder the achievement of organization's objectives, supporting managers to ensure that companies align their culture and risk management policies , supporting performance management by assisting managers to determine the risk management performance indicators that align with the performance indicators of organizations, acting as drivers to ensure legal and regulatory compliance, building capacity for effective risk management that begins with employee induction and follows it with training in managing risk, establishing appropriate organizational structures with clear roles and accountabilities for managing risk.

A number of prior studies have pointed out that risk management in general is an important contributor to new product development program success: For example, For the U.S. Department of Defense (DOD, 2006) risk is understood as a measure of future uncertainties about what can affect the objectives of the program within the restrictions established by cost, timeframe and performance. According to several authors (Modarres, 2006; PMI, 2008; Keelling, 2006), the term risk means not just the occurrence of an undesirable event, but also how probable it is and what its consequences would be.In Ghana, a research was done on risk management and bank performance. A case study of first atlantic merchant bank Ghana limited (FAMBL) by Ruth (2011). The recent financial crisis and scandal such as Enron have raised several questions with respect to the growing awareness and the need for appropriate Risk Management of financial institutions. It calls for thorough assessments of the structure and components of the risk management frameworks and practices of banks by regulators, analysts and financial watchers from time to time, to ascertain the adequacy of the systems, policies and procedures for managing risks as well as their conformity to current best practices. As a contribution to this exercise, this study is focused on First Atlantic merchant Bank Ghana Limited (FAMBL) with the aim of evaluating the bank‘s risk profile as well as assessing its risk management framework to ascertain its soundness and conformity to international best practices. This study also investigates whether efficient risk management translate into enhanced performance of banks. It combines and further develops relevant previous findings from two major areas of research: risk management, enterprise risk management (ERM), and their effect on bank performance. In Kenya, Gakure et. Al. (2012) studied the effect of credit risk management techniques on the performance of unsecured bank loans employed commercial banks in Kenya. Financial risk in a banking organization is possibility that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings / capital or may result in imposition of constraints on bank's ability to meet its business objectives. The purpose of this study was to investigate the effect of credit risk management techniques on the performance of unsecured bank loans by commercial banks in Kenya.

2. STATEMENT OF THE PROBLEM

From a global perspective, the women funded development projects are involved in a wide range of activities and programmes at national and regional levels all aimed at improving the well-being as well as empowering women in the society. Donor agencies such as Faith-Based Organizations (FBOs), NGOs such as United Nations Education, Science and Cultural Organization(UNESCO), United Nations Children's Fund (UNICEF) , World Food Programme (WFP), United Nations Environmental Programme (UNEP), Food for the Hungary International(FHI), Red Cross International project (RCI), Pastoral Initiative (PISP) and Community-Based Organizations (CBOs) have historically provided vital services to needy populations and contributed significantly to the strengthening of many individuals' lives, families and communities (Vidal,2001). FBOs and CBOs are often located in regions and neighborhoods where especially needy populations live. These organizations tend to have scarce resources, yet tend to make large contributions to society. Conceptually, development projects undertaken by donor agencies are "asset building" that improves the quality of life among residents of low-to-moderate income communities (Vidal, 2001).

The women funded development projects are involved in various activities which includes; integrated Food Security Programmes, transportation, marketing and processing of agricultural and livestock production. Availability of safe drinking water for human and livestock, plus the conservation of soil, water, wildlife and the environment form part and parcel of the Integrated Rural Development Programmes implemented by donor agencies at community level. Health Programmes for disease prevention and treatment often with mobile health clinics form a common feature in high population density locations. The HIV/AIDS pandemic has had far reaching. impact on the social, cultural, economic, health and religious life of many individuals, families and communities. The fight against the HIV/AIDS scourge is stronger and the donors' focus is on information sharing, de-stigmatization and appropriate counseling and coping skills.

Despite of the dynamics that led to the rapid growth of women funded projects and the efforts by the government to assist the development of this sector, the women funded projects are notoriously volatile and experience difficulties to perform (Erikson and Kuhn, 2006). Women funded projects are vulnerable in terms of survival because of the liability of newness and smallness. Their performance is often dependent on overcoming of potential life threatening barriers that they experience through their start-up periods (Fielden et al, 2000). A number of studies have presented factors that affect performance of women funded projects. These factors seem to be universal to both developed and developing economies. Poor risk management strategies are recognized as an acute problem in both developed and developing economies. The current study aims to fill the contextual gaps arising as a result of different scopes under which most of the reviewed studies were conducted in order to determine the effect of risk management strategies on performance of women funded projects in Meru and help to generate more light to this area. It is important to understand the risk management strategies in projects and their effect on the funded project performance; thus, there is a need to conduct more research on the effect of risk the effect of risk mitigating strategy on performance of women funded projects in Meru county.

3. LITERATURE REVIEW

The common approach in the risk mitigation strategy is to reduce the likelihood and impact associated in an activity instead of abandoning it altogether. It aims at making the negatives outcome less likely to occur or minimizing their impact should it happen. For example, we would reduce the likelihood by offering to clients by offering incentives to those who pay bills on time; as well as reduce the impact of a risk through arranging access to short-term credit facility that way even when the client pay late money is available. This strategy lets you continue with an activity however with measures in place to reduce its danger. Disaster Risk Reduction(DRR) is a systematic approach to identifying, assessing and reducing the risks of disaster. It aims to reduce socio economic vulnerabilities to disaster as well as dealing with environmental and other related hazards, (Roehrig, 2006).Kibe (2013) carried out a study to assess the role of risk management as a tool for successful project implementation focusing on CDF projects in Juja constituency. The general objective of was to examine the contribution of risk management practices to successful implementation performance of CDF projects. It is being based on the premises that project fail to achieve their intended objectives due to exposure to risk factors that derail the planned budget, schedule and quality. The study revealed the need to adopt the modern contemporary skills of managing projects recommended by the PMI through deliberate installation of measures to manage, time, budget and quality constraints of any project.

Esther, Kennedy and David (2015) carried out a study to establish the effects of risk management strategies on the project performance of small and medium information communication technology (ICT) enterprises in Nairobi, Kenya. A descriptive research design was adopted. Target population was 48 ICT SMEs in Nairobi, Kenya. The study adopted random sampling technique to select sample size of the project staff in the target population. Primary data was collected using a questionnaire. The study concluded that SME ICT project risk assessment influence mitigation of project risks, information and risk evaluation leading to successful risk management leading to completing software development in time. The assessment of project risks led to adoption of avoidance technique to risks, the communication on risks facing enterprises is effective, assessing time available for the IT project reduce project risks and that leading to successful website designing. Lawrence and Jaya (2015) carried out a study to evaluate the effects of risk management practices during planning stage on construction projects in Rwanda. The objective of the study was to investigate the extent of the risk management practices at planning phase and the effect of these practices on project cost and schedule performance. Data was collected using questionnaires and interviews Random sampling was be used to select consultants and contractors from the list of registered engineers and architects. A sample of 10 construction professionals who had returned the questionnaires was selected using purposive sampling for face-to-face interview. The research project indicated that risk management practices at planning stage had a large effect on project performance. The research project identified ineffective risk management practice at planning phase as a major cause of poor project performance. This research project recommends a formal and structured risk management practice during project planning and with the involvement of construction professionals and end users.

4. RESEARCH METHODOLOGY

Descriptive survey was used. Target population for the study was 1003.The study used a list from all the stakeholders in the project.The research therefore used 10% of the targeted population to come up with a sample of 100 respondents. The study used both primary and secondary data. Quantitative data was analyzed through descriptive and inferential statistics.

5. FINDINGS

According to the likert-scale, 1.0-2.5 will represent agree i.e (1.0<Agree>2.5), 2.5- 3.5 represented Neutral i.e (2.5<Neutral>3.5), 3.5-5 represented Disagree, i.e (3.5<Disagree>5).

Table 1: Risk Mitigation Strategies

Opinion Statements	Minimum	Maximum	Mean	Standard Deviation
Risk planning leads to a project that prepares risk plans adequately	3	5	4.00	.324
Risk impact level leads to a project team that effectively identifies project risks	1	4	3.60	.754
Type of risk leads to a project team that map out risk areas during project implementation	1	4	3.45	.759

The study was investigating the respondent's opinion on statements about risk mitigation strategy in regard to project performance. From the findings the respondents agreed that risk planning leads to a project that prepares risk plans adequately as shown by a mean of 4.00 and a standard deviation of 0.324; further, the respondents were not sure if risk impact level leads to a project team that effectively identifies project risks as indicated by a mean of 3.60 and a standard deviation 0.754. The respondents strongly agreed that type of risk leads to a project team that map out risk areas during project implementation. As indicated by a mean of 3.25 and a standard deviation of 0.759. The study established that risk mitigation affects project performance to a great extent. Risk planning leads to a project that prepares risk plans adequately. The risk impact leads to a project team that effectively identifies project risk to an insignificant level. Also, the study found out that the respondents were not sure if the type of risk leads to a project team that maps out risk areas during project implementation. Further the study found out that project team leads to a project team that map out risk areas during project implementation.

6. CONCLUSION AND RECOMMENDATION

The study recommends that funds being allocated for project be increased to be sufficient and further, budgetary allocations on projects be realistic; not too low or too exorbitant. The study further proposes that contingency plans be implemented in all projects to cater for unforeseen circumstances. It further recommends project stakeholders especially the community be trained to enable them effectively participate in projects.

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