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**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**An assessment on the risk management practices of construction  
projects; The case study of Addis Ababa Saving House  
Development Enterprise.**

## **ABSTRACT**

The goal of this study was to evaluate the Addis Ababa Saving House Development Enterprise's project risk management procedures.

Descriptive study design was employed by the investigator.

Semi-structured interviews and a questionnaire were used as the data gathering methods.

Purposive sampling was used to choose the 40 participants that made up the study's sample size.

There was a 100% response rate. Purposive sampling was used to determine the sample size, and 49 items of a questionnaire were sent to team members and other project participants. The study's conclusions showed that there isn't a well-organized policy or guideline that offers advice on how to handle project risk. Typically, the project doesn't adhere to a predetermined or typical risk management procedure. The majority of participants through risk management.

**Key Words: Risk identification, Risk management, Risk monitoring and control.**

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## **INTRODUCTION**

According to the project management institutes(2007), a risk is an unpredictable event or combination of conditons that, if they materialize, will affect the project's ability to accomplish its goals.

There is danger in every project.

In many ways, today's projects are fundamentally more complex than those of the past when it comes to their organizational structure, needs for technology and resources, and finances. Modernvprojects are also completed in a dynamic enviroment, which makes it challenging to predict the future (Wiley & Sons,2008).

Every firm wants to succeed, and risk management may help make that happen.

It is important to emphasize that risk management is a strategy that helps to raise the likelihood of success rather than guaranteeing it.

## Materials and methods

Design of the research, descriptive design was employed in the study to examine the risk management procedures currently used on construction projects.

An unpredictable occurrence or circumstance that, if it materializes, has an impact on at least one project objective, either positively or negatively, is what the PMI (2007) describes as a project risk. Risk cannot be eliminated; it can only be controlled, reduced, shared, transferred or accepted. (Jardin, 2017)

Risk was also defined by Ana (2012) as an unpredictable yet potential component that constantly surfaces in technological, human, social, and political events; it reflects shifts in the distribution of probable outcomes and subjective probability values and aims, with potentially harmful and irreversible consequences.

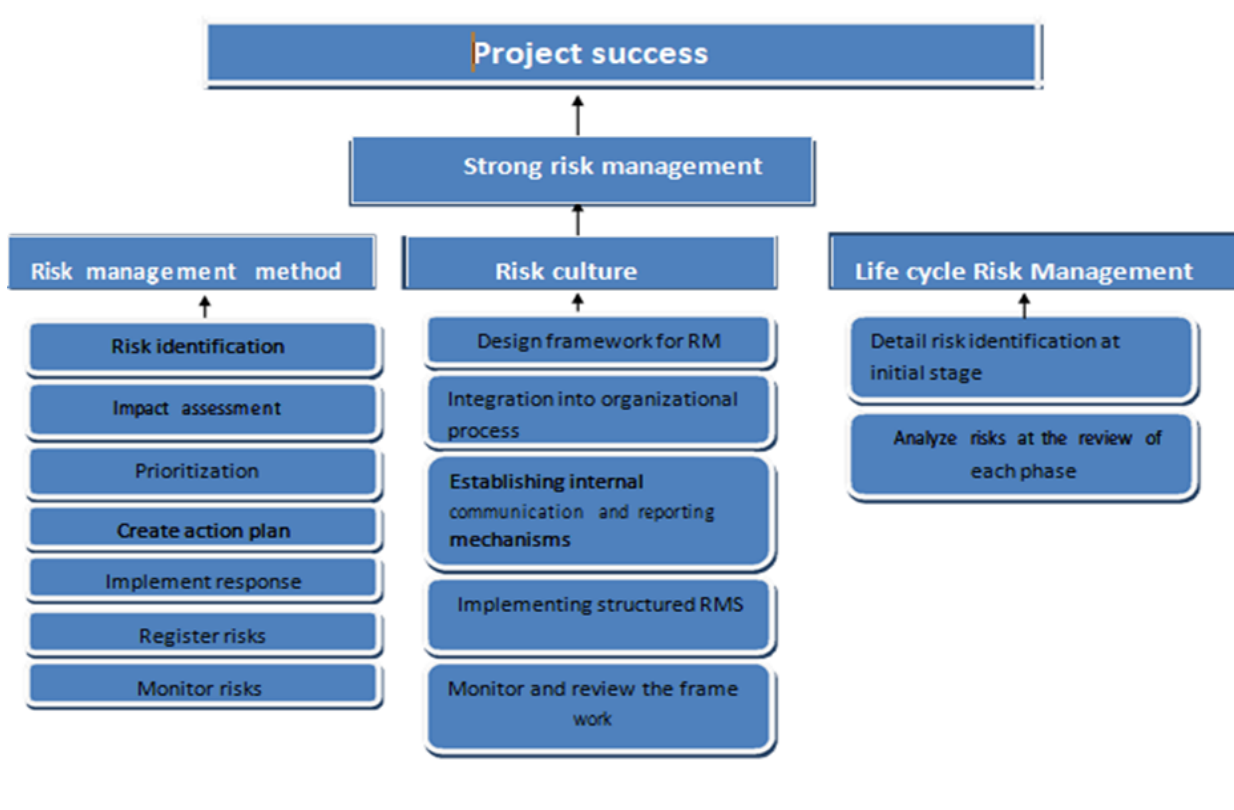
Review of the theory identification of risks, the first and possibly most crucial phase in the risk management process is risk identification.

In the event that no specific risk is identified, the remaining actions in the various stages of the PLC.

Results and discussion

- The Addis Ababa city saving houses development enterprise’s risk management procedures have several flaws, according to the report.
- Important conclusions consists of;-
- Absence of dedicated risk management
- One major shortcoming is the lack of a dedicated risk manager and department.
- Inadequate monitoring and control, most survey participants stated that there are insufficient mechanisms in place for monitoring and controlling.

Figure:- Conceptual Framework



## Conclusion

As a step in the risk management process, it can be argued that, The Addiss Ababa Saving Houses Development Enterprise's risk identification approach is succeeding in attempting to detect risks early, even in the absence of the application of an effective and scientifically validated risk identification method.

Many risks were overlooked or first misidentified as a result of their poor use of an efficient risk strategy, identification, and managing approach, which had a detrimental impact on the projects. When identifying risks, they concentrated on project areas that are susceptible to them.

They also attempted to determine the causes contributing to the risks and recorded common risks encountered.

Despite the fact that all risks are included in project reports and documentation, no risk register has been established to formally record risks.

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## Appendices

Dear Respondents,

This is a questionnaire intended to assess the risk management practice of Addis Ababa City House Saving Enterprise 40/60 Schemes. The information you provide is totally sought for academic purposes and shall be kept strictly confidential.

Researcher Name: Mastewal Yibelu

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### Section 1: Socio-demographic Characteristics

SN	Questions	Answer/Choices of Respondents	Remark
1	Age	1. [20 – 30) years <input type="checkbox"/> 2. [30 - 40) years <input type="checkbox"/> 3. [40 - 50) years <input type="checkbox"/> 4. [50 - 60] years <input type="checkbox"/> 5. Above 60years <input type="checkbox"/>	
2	Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>	
3	Highest Level of Education	1. Diploma <input type="checkbox"/> 2. Degree <input type="checkbox"/> 3. Postgraduate <input type="checkbox"/> 4. Other Please (Specify)	
4	Total Years of Work Experience:	1. Less than 2years <input type="checkbox"/> 2. [2 - 5] years <input type="checkbox"/> 3. (5 - 10] years <input type="checkbox"/> 4. (10 - 15] years <input type="checkbox"/> 5. Above 15 years <input type="checkbox"/>	
5	For how many years have you worked on the project?	1. Less than 1 year <input type="checkbox"/> 2. [1 - 2] years <input type="checkbox"/> 3. (2 - 3] years <input type="checkbox"/> 4. (3 - 5] years <input type="checkbox"/> 5. Above 5 years <input type="checkbox"/>	

#### 1. Instruction: Please indicate your response by ticking on the box provided Section 2:

#### General Questions about Project Risk Management

Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions and tick in the box the letter of your choice for the multiple-choice questions that best describes how you perceive the project applies project risk management where: Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5



SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
6	There is a policy or guideline that recommends how to manage unexpected uncertainties.	1	2	3	4	5	
7	The Project has a defined or standard risk management process.	1	2	3	4	5	
8	Responsible person or department is assigned To handle risk when it occurs.	1	2	3	4	5	
9	Risk management is treated as a continuous Process in the project.	1	2	3	4	5	

SN	Questions	Answer/Choices of Respondents (You may choose /tick more than one answer).	Remark
10	Uncertainties that occur within the project are mostly handled by:	1. The project manager <input type="checkbox"/> 2. The consultant <input type="checkbox"/> 3. The client <input type="checkbox"/> 4. A specialized risk management team. <input type="checkbox"/> 5. All teams participating in the project. <input type="checkbox"/>	

### 1. Section 3: Risk Planning

Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions that best describes how you perceive the project plans for the risks where: Strongly Disagree (SD) = 1, Disagree(D) = 2, Neutral(N)= 3, Agree(A) = 4 and Strongly Agree (SA) = 5

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
11	There is systematic approach or careful planning done to perform risk management in the project.	1	2	3	4	5	
12	Relevant stakeholders are involved in the planning and performing of managing risk.	1	2	3	4	5	
13	An expert judgment or meetings are considered while planning for risks that might occur in the project.	1	2	3	4	5	
14	Risk management is treated as a continuous process in the project.	1	2	3	4	5	
15	Environmental factors are included as an input to plan for uncertainties.	1	2	3	4	5	
16	Team members within the project receive training or have enough knowledge about how to handle uncertainties.	1	2	3	4	5	
17	Risk management plan is incorporated with the project plan.	1	2	3	4	5	



on historical data  Section 6:

**Risk Response**

Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions that best describes how you perceive the project responds to the risks where: Strongly Disagree (SD) = 1, Disagree(D) = 2, Neutral(N)= 3, Agree(A) = 4 and Strongly Agree (SA) = 5

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
25	There is a well-developed strategy within the project to respond to risk.	1	2	3	4	5	
26	Factors such as budget, schedule and resources are considered while responding to risk.	1	2	3	4	5	

**27. The risk response strategy that is usually used in the project:**

1. **Reduction**
2. **Avoidance**
3. **Transfer**
4. **Acceptance**

**2. Risk Avoidance**

This section seeks how your opinion on how the organization you work for utilizes methods of avoiding any events that may delay projects under you as you implement them. Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions: Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
28	The organization encourages use of contingency/ Alternative plans or in order to avoid any situation that may cause delays in project implementation.	1	2	3	4	5	
29	The organization encourages use of detailed work plans so as to limit occurrence of anything that may delay the implementation of the project.	1	2	3	4	5	
30	The organization has put in place protection and safety systems against any event that may delay the project implementation	1	2	3	4	5	
31	The organization uses regular inspections to ensure no issue arises that may delay project implementation	1	2	3	4	5	
32	The organization has a program on training of employees on how to ensure that projects run on schedule	1	2	3	4	5	

**1. Risk Transfer**

The following section seeks how your opinion on how the organization you work for utilizes methods of ensuring that risks did not delay projects under you as you implement them, please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions: Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
33	The organization usually outsources some functions especially on those that may impact on the duration of the project.	1	2	3	4	5	
34	The organization buys insurance premium on some items so as to ensure no occurrence will cause a delay in project implementation.	1	2	3	4	5	
35	The organization enters into legal agreements especially regarding any Event that may cause the project implementation to delay.	1	2	3	4	5	

**1. Risk Reduction**

This section seeks how your opinion on how the organization you work for utilizes methods of ensuring that risks did not delay projects under you as you implement them by minimizing chances of occurrence of an event that may delay implementation of a project. Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions: Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
36	The organization conducts periodic meetings with project team to alleviate the possible causes of project delay.	1	2	3	4	5	
37	The organization encourages use of contingency/ alternative plans or in order to avoid any situation that may cause delays in project Implementation.	1	2	3	4	5	
38	The organization uses quality assurance technique as a method to ensure that any situation that may cause project delay is eliminated.	1	2	3	4	5	
39	The organization adheres to signed contracts terms and conditions on the issues that may influence the duration of implementation of projects.	1	2	3	4	5	
40	The organization plans for crisis meetings and disaster recovery plans on issues that may affect the duration that the project will take in order to avoid such scenarios.	1	2	3	4	5	



### 1. Risk Acceptance

*This section seeks how your opinion on how the organization you work for utilizes methods of ensuring that risks did not delay projects under you as you implement them by accepting that there is not much that can be done but to just accept that the risks are likely to occur and the steps that can be taken to prevent are too costly. Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions: Strongly Disagree (SD) = 1, Disagree (D) = 2, Neutral (N) = 3, Agree (A) = 4 and Strongly Agree (SA) = 5*

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
41	On some occasions the organization takes no action because it recognizes that though some events may occur and affect duration of the project, it is best not to do anything about them.	1	2	3	4	5	
42	The organization encourages use of contingency/ alternative plans or in order to avoid any situation that may cause delays in project Implementation.	1	2	3	4	5	

### 1. Section 7: Risk Monitor and Control

*Please indicate your opinion by marking a circle on the appropriate number for the five-point scale questions that best describes how you perceive the project monitor & control to the risks where: Strongly Disagree (SD) = 1, Disagree(D) = 2, Neutral(N)= 3, Agree(A) = 4 and Strongly Agree (SA) = 5*

SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
43	Based on the current result of the project are risks monitored and controlled well.	1	2	3	4	5	
44	The Project monitor, control and review the process for risk management to ensure that it complies with standards and procedures.	1	2	3	4	5	
45	Information available or the history of the project is used to supplement to control risk.	1	2	3	4	5	
46	Risks that occur within the project are controlled in a way that goes with the goal and objective of the project.	1	2	3	4	5	

### 1. Section 8: Organizational Risk Management Culture

*Please indicate your opinion by marking a circle on the appropriate number for the five- point scale questions that best describes how you perceive your organization risk management culture where: Strongly Disagree (SD) = 1, Disagree(D) = 2, Neutral(N)= 3, Agree(A) = 4 and Strongly Agree (SA) = 5*



SN	Questions	Scales of Measurement					Remark
		SD	D	N	A	SA	
47	The organization uses a recognized training method to facilitate the improvement of general knowledge on risk management?	1	2	3	4	5	
48	The organization provides funding to facilitate management of risks that may delay projects.	1	2	3	4	5	
49	The organization effectively communicates the risk to the employees or stakeholders (internal and external)?	1	2	3	4	5	