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Implications of Risk Management Practices on Organizational Efficiency in Christian NGOs in Nigeria: A Study of Redeemed Christian Church of God (RCCG) Structures

[1] Meroyi Emmanuel Olayinka, [2] Adegbusi Oluwatoyin
[1] ANAN University Business School, Nigeria
[2] University of Port Harcourt Business School, Nigeria

Corresponding Author: **Meroyi Emmanuel Olayinka**

Abstract
This study examines the implications of risk management practices on organizational efficiency in Christian non-governmental organisations (NGOs) in Nigeria, with a specific focus on the structures of the Redeemed Christian Church of God (RCCG). It highlights the critical role of risk management in mitigating challenges faced by such faith-based organisations and enhancing their sustainability and efficiency. Using a descriptive-correlational research design, the study surveyed 266 respondents from RCCG—including accountants, administrators and parish heads—to assess the impact of risk-management practices on organisational performance. The findings reveal a strong positive relationship between effective risk management and organisational efficiency (Pearson's r = 0.72), and regression analysis indicates that approximately 50% of the variation in efficiency can be attributed to risk-management practices. Despite these positive results, the study identifies significant barriers to effective implementation—including financial constraints and resource limitations. The study concludes that improving risk-management practices within RCCG structures can meaningfully enhance decision-making, resource optimisation and organisational success. It recommends that RCCG strengthen its risk-management framework, address operational challenges, and invest in advanced tools and training for sustainable implementation.

Keywords: Risk Management, Organisational Efficiency, Christian NGOs, Faith-Based Organisations, Nigeria

1. Introduction

Christian non-governmental organisations (NGOs) play a vital role in humanitarian service, community development and social-justice efforts in Nigeria and globally. These faith-based organisations contribute to the development of rural and underserved communities, providing education, healthcare and social rehabilitation programmes. For example, Ekong (1983) [9] and Dreyer (2004) [8] highlight the positive influence of Christian NGOs in rural Nigeria. However, Christian NGOs such as the Redeemed Christian Church of God (RCCG) face numerous challenges that can hinder their effectiveness—ranging from financial instability, operational inefficiencies and reputational risks to security threats. For such organisations, effective risk management is crucial for maintaining their mission and ensuring organisational efficiency. Risk-management practices, when properly applied, can help mitigate these challenges and contribute to sustainability and improved performance (Halogen Group, 2025).

This study is motivated by the gap in the literature regarding how risk management practices influence organisational efficiency in faith-based NGOs in Nigeria, with particular emphasis on RCCG structures.

2. Background to the Study

Various studies have examined the role of Christian NGOs in development programmes, especially at the community level. Ekong (1983) [9] documented the positive impact of Christian NGOs in six local government areas of southwestern Nigeria, while Dreyer (2004) [8] emphasised the role of churches in rural development. Aborisade and Aderinto (2008) [1] studied faith-based organisations' efforts in rehabilitating commercial sex workers in Nigeria. The rural-health-services programme of the Sudan United Mission also works to strengthen health manpower in rural Nigeria through the training of senior community health workers (CCIH).

Despite these contributions, Christian NGOs are increasingly exposed to various risks—ranging from operational inefficiencies and financial instability to reputational damage and personnel security concerns. The rising security challenges within such organisations is emphasised by the Halogen Group, which recommends that churches incorporate risk management into their operations to avoid security breaches (Business Day, 2025).

Organisational efficiency, a balance between input and output, has been defined by Hussey *et al*. (2008) [12] and is a key performance indicator for NGOs. Ferry (2008) defines risk management as a systematic and logical process of identifying, quantifying and mitigating risks, while Darmawi (2011) [7] argues that risk management involves identifying, analysing and managing risks to improve efficiency and effectiveness in all business activities, including NGOs.

3. Statement of the Problem

Although risk management is recognised as critical in both business and nonprofit sectors, there has been limited research on its application within faith-based organisations, specifically Christian NGOs in Nigeria. The unique operational context of these organisations (e.g., donor dependency, religious imperatives, minimal resources, security threats) suggests that risk-management practices may play a distinct role in influencing organisational efficiency. This study seeks to fill this gap by providing empirical evidence on how risk-management practices impact the performance and sustainability of Christian NGOs, focusing on RCCG structures.

4. Research Objectives

The primary objective of this study is to examine the relationship between risk-management practices and organisational efficiency in Christian NGOs in Nigeria, particularly within RCCG. The specific objectives are to:

1. Assess the impact of risk-management practices on organisational efficiency in Christian NGOs, with a particular focus on RCCG.
2. Analyse how the components of risk management (risk identification, assessment and mitigation) influence organisational success.
3. Identify the challenges faced by Christian NGOs, particularly RCCG, in implementing effective risk-management practices.

5. Research Questions

1. What is the impact of risk-management practices on organisational efficiency in Christian NGOs, particularly in RCCG?
2. How do the components of risk management (risk identification, assessment and mitigation) influence organisational success?
3. What challenges do Christian NGOs, particularly RCCG, face in implementing effective risk-management practices?

6. Hypotheses of the Study

H1: Risk-management practices significantly influence the organisational efficiency of Christian NGOs, particularly RCCG.

H0: Risk-management practices do not significantly influence the organisational efficiency of Christian NGOs, particularly RCCG.

H2: The components of risk management (risk identification, assessment and mitigation) significantly contribute to the success and sustainability of RCCG structures.

H0: The components of risk management (risk identification, assessment and mitigation) do not significantly contribute to the success and sustainability of RCCG structures.

H3: Christian NGOs, particularly RCCG, face significant challenges in implementing effective risk-management practices due to financial, operational and compliance barriers.

H0: Christian NGOs, particularly RCCG, do not face significant challenges in implementing effective risk-management practices due to financial, operational and compliance barriers.

7. Significance of the Study

Enhancing Organisational Efficiency: This study shows how risk-management practices influence organisational efficiency, thereby enabling Christian NGOs to improve their operations.

Filling the Literature Gap: While risk management has been widely studied in business and non-profit sectors, there is a noticeable gap in research focusing specifically on Christian NGOs in Nigeria. This study adds value to the existing literature, particularly in the context of faith-based organisations.

Policy Makers and Practitioners: The findings of this study may serve as a valuable resource for policymakers, especially those working with or supporting Christian NGOs.

Students and Researchers: Students studying courses in risk management and organisational efficiency will find this research useful, as will researchers in related fields seeking empirical evidence within faith-based organisations.

8. Literature Review

8.1 Conceptual Framework

Risk management is the process of identifying, assessing and prioritising risks, followed by the application of resources to minimise, control and monitor the likelihood or impact of such risks (ISO, 2009) [13]. Christian NGOs are organisations driven by Christian principles and values, addressing social, economic, educational and humanitarian needs (Smith, 2013) [16]. Organisational efficiency refers to the ability of an organisation to achieve its goals with minimal wasted resources (Daft, 2015) [6]. For Christian NGOs such as RCCG, efficiency may be measured by how well the organisation fulfils its spiritual, social and community-oriented mission while maintaining sustainable operations (Ogunyemi, 2017) [15].

Key factors influencing organisational efficiency include leadership quality, communication practices, resource allocation, operational processes, volunteer engagement and strategic planning (Miller & Kehoe, 2019) [14]. Effective risk-management can improve decision-making, enhance transparency and contribute to more efficient resource allocation (Harris, 2014) [10].

8.2 Theoretical Review

Agency Theory: Initially developed in economics and organisational studies, agency theory focuses on the relationship between principals (owners) and agents (managers)—highlighting potential conflicts of interest and the need for governance. In risk-management contexts, agency theory emphasises the role of internal controls and governance to address conflicts of interest (Yatim, 2010) [17].

8.3 Empirical Review

The concept of risk management has evolved significantly. Historically, it focused on mitigating adverse effects and classifying risks by area of operations (Adebawojo & Akindehinde, 2017) [2]. Traditional methods came under scrutiny after corporate scandals such as those involving Enron and Lehman Brothers, emphasising the need for integrating risk management into strategic frameworks (Zabłocka-Kluczka & Sałamacha, 2023) [18].

Risk has been defined in various ways: Willett *et al*. (1951) defined it as uncertainty regarding undesired events; Arthur and Hein (1956) [3] viewed it as variation in outcomes; Houston *et al*. (1964) discussed it in decision-making contexts. The risk-management process is increasingly formalised: identifying risks, analysing them, evaluating or ranking them, treating them and monitoring and reviewing—ensuring systematic management to achieve objectives (Adebawojo & Akindehinde, 2017) [2]. Techniques include risk avoidance, reduction, transfer and acceptance (Bakr *et al*., 2012; Cicek & Celik, 2013) [4, 5].

Although many works discuss general organisations, few link risk-management practices directly to organisational efficiency in Christian NGOs in Nigeria. This gap justifies the present study.

9. Methodology

9.1 Research Design

This study used a descriptive and correlational research design to explore and describe the relationship between risk-management practices and organisational efficiency within Christian NGOs in Nigeria, focusing on RCCG. The design allowed for examination of the impact of components of risk management (identification, assessment, mitigation) and the challenges of implementation.

9.2 Population and Sampling

The population for this study comprises Christian NGOs in Nigeria, with specific focus on RCCG structures. The study targeted RCCG branches (national and regional offices) in Nigeria as representative samples. Purposive sampling was used to select key respondents: administrators, accountants and parish/departmental leaders involved in risk management practices within RCCG structures. A total of 300 questionnaires were distributed across different RCCG branches in Nigeria; 266 valid responses were returned.

9.3 Data Collection Instrument

Quantitative data were collected using a structured questionnaire (Google Form) designed to assess risk-management practices within RCCG structures. The questionnaire comprised closed-ended statements rated on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The instrument was tested for reliability and validity via a pilot survey; adjustments were made based on feedback.

9.4 Data Analysis

Descriptive statistics (percentages and means) summarised demographic data and responses. Pearson correlation analysis measured the strength and direction of the relationship between risk-management practices and organisational efficiency. Regression analysis tested the influence of risk-management components (identification, assessment, mitigation) on organisational efficiency.

9.5 Ethical Considerations

Participation was voluntary and informed consent was obtained from all respondents. Participant identities and responses were kept confidential and anonymous. The study adhered to ethical standards of honesty and transparency in reporting findings.

10. Findings and Discussion

The study involved 266 respondents (administrators, accountants, parish heads, provincial heads, departmental heads) from various RCCG branches (national, provincial, departmental levels). Key demographic data revealed a diverse sample in roles, age, and education, ensuring broad representativeness.

A Pearson correlation coefficient of 0.72 indicated a strong positive relationship between risk-management practices and organisational efficiency. Regression analysis indicated approximately 50% of the variation in organisational efficiency could be explained by risk-management practices.

Discussion of findings:

- The strong positive correlation supports H1 and underscores the importance of risk-management practices for enhancing organisational efficiency.
- The significance of risk-identification, assessment and mitigation as components aligns with H2.
- The barriers identified—such as financial constraints, resource limitations, lack of training and weak internal controls—support H3, highlighting significant implementation challenges.

The findings corroborate previous studies emphasising the role of risk management in resource optimisation and organisational resilience (Hoyt *et al*., 2008; Harris, 2014) [11, 10]. The unique context of faith-based NGOs in Nigeria adds to the literature by highlighting operational and contextual constraints unique to this sector.

For RCCG and similar organisations, the findings imply the need to embed systematic risk-management frameworks, invest in training, strengthen governance and align risk-management practices with strategic objectives.

11. Conclusion and Recommendations

This study confirms that effective risk-management practices have a significant positive impact on organisational efficiency in Christian NGOs in Nigeria, particularly within RCCG structures. Approximately half the variation in organisational efficiency is attributable to risk-management practices. Nonetheless, the implementation of these practices is hampered by significant barriers, especially financial constraints and resource limitations.

Recommendations:

1. RCCG should strengthen its risk-management framework by developing formal policies, procedures and oversight mechanisms.

2. Capacity-building programmes should be instituted to train administrators, accountants and parish/departmental heads in risk management.
3. Invest in advanced tools (software, monitoring systems) and allocate dedicated resources for risk-management implementation.
4. Establish periodic monitoring and review mechanisms to assess risk-management effectiveness and integrate continuous improvement.
5. Future research should extend to other Christian NGOs in Nigeria (beyond RCCG), utilise longitudinal designs and include qualitative insights to deepen understanding of barriers and facilitators.

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