



AN ASSESSMENT OF RISK IDENTIFICATION AND MITIGATION STRATEGIES IN NIGERIAN PUBLIC SECTOR ORGANIZATIONS

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ABSTRACT

This study investigates risk identification and mitigation strategies employed in Nigerian public sector organizations, with particular attention to the efficacy of formal risk management mechanisms and the pivotal role of organizational coordination in improving risk outcomes. The research population consisted of 280 personnel from critical units in selected ministries, departments, and agencies (MDAs) in Katsina State. A purposive sample of 150 respondents was selected. Data were gathered via structured questionnaires and semi-structured interviews, then analyzed using descriptive statistics (mean scores, percentages) and inferential techniques (Chi-square tests, Pearson correlation). Findings indicate that although formal systems such as internal controls, monitoring mechanisms, and audit procedures are widely present, proactive risk identification remains underdeveloped. Mitigation efforts are frequently undermined by inadequate coordination, limited leadership involvement, and resource shortages. Organizational coordination, through enhanced communication, role definition, and collaborative decision-making, was shown to substantially strengthen mitigation effectiveness. The study concludes that reinforcing institutional structures, building capacity in human and technical domains, and promoting inter-departmental collaboration are essential to advancing risk management in Nigeria's public sector.

Keywords: Risk Identification, Risk Mitigation, Public Sector, Organizational Coordination, Nigeria

Introduction

Risk management stands as a cornerstone of sound governance in public sector organizations, particularly in environments prone to operational inefficiencies, financial exposures, and strategic uncertainties that can compromise service delivery and erode public confidence. Nigerian MDAs operate amid constrained resources, bureaucratic complexities, and intense stakeholder demands, which amplify the probability and severity of risks (Owolabi, Dada, & Olaoye, 2022).

Risk identification, the foundational stage, requires systematic detection and evaluation of threats to organizational objectives. In Nigerian public entities, reliance on compliance reports, internal audits, and routine assessments often results in reactive rather than anticipatory approaches (Salawu et al., 2024). This limits preparedness for emerging threats, heightening vulnerability to disruptions. Proactive methods—such as stakeholder consultations, scenario planning, and risk mapping—remain underutilized, despite their proven value in dynamic contexts like Nigeria's (Novatia Consulting, n.d.).

Risk mitigation encompasses actions to diminish risk likelihood or impact, including internal controls, monitoring, training, policy enforcement, and risk transfer (e.g., insurance). Effectiveness depends on both structural tools and relational elements like leadership commitment and cross-departmental collaboration (Hopkin, 2018). In Nigeria, implementation often falters due to funding limitations, institutional fragmentation, and inconsistent oversight, resulting in uneven resilience (Dogo & Ngereboa, 2025; Bwanbale, 2024).

Organizational coordination is indispensable, enabling timely information flow, clear responsibilities, and cohesive responses. Weak coordination exacerbates delays, redundancies, and poor outcomes (Kapucu & Garayev, 2018). In Nigeria, these challenges stem from bureaucratic silos and regulatory inconsistencies, underscoring the need for relational alongside technical measures.

This study contributes to the discourse on public sector risk management by evaluating identification and mitigation practices in Nigerian MDAs and examining coordination's influence. By combining structural and relational lenses, it offers insights for policy refinement, institutional strengthening, and capacity enhancement.

Statement of the Problem

Formal risk frameworks exist in Nigeria's public sector, yet operational failures, financial irregularities, and strategic misalignments persist due to ineffective practices. Regulations such as the Public Procurement Act (2007) mandate systematic processes, but audits reveal inconsistent application (Owolabi et al., 2022). Reactive identification, patchy mitigation, and poor coordination leave MDAs exposed to mismanagement, disruptions, and diminished service quality. These gaps necessitate empirical scrutiny of risk practices and the contributions of leadership and coordination.

Objectives of the Study

1. To evaluate the effectiveness of risk identification practices in Nigerian public sector organizations.
2. To examine the extent to which risk mitigation strategies are implemented and how effective they are in reducing organizational risk exposure in Nigerian public sector organizations.
3. To analyze the influence of organizational coordination and leadership commitment on the effectiveness of risk management practices in Nigerian public sector organizations.

Research Questions

1. How effective are risk identification practices in Nigerian public sector organizations?
2. To what extent are risk mitigation strategies implemented, and how effective are they in reducing organizational risk exposure in Nigerian public sector organizations?

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3. How do organizational coordination and leadership commitment influence the effectiveness of risk management practices in Nigerian public sector organizations?

Research Hypotheses

H1: Risk identification practices are not significantly effective.

H2: Risk mitigation strategies do not significantly reduce risk exposure.

H3: Organizational coordination and leadership commitment do not significantly influence risk management effectiveness.

Scope of the Study

The study targets MDAs in Katsina State, examining structural (controls, monitoring, policies) and relational (leadership, communication, collaboration) aspects. It addresses capacity limitations, resource constraints, and fragmentation. The population includes 280 personnel; the purposive sample of 150 ensures functional representation.

Literature Review

Risk management in public sector organizations entails systematic identification, assessment, and mitigation of threats to objectives. Effective approaches integrate structural mechanisms (controls, monitoring) with relational ones (leadership engagement, collaboration) (Fraser & Simkins, 2022).

In Nigeria, identification often relies on audits and compliance checks—reactive methods that constrain foresight for risks like financial mismanagement or regulatory non-compliance (Salawu et al., 2024). Proactive techniques, including stakeholder engagement and scenario analysis, are advocated to build comprehensive risk profiles amid economic volatility and regulatory shifts (Novatia Consulting, n.d.; Bwanbale, 2024).

Mitigation strategies controls, training, diversification, contingency planning require alignment with organizational culture. Nigerian challenges include resource scarcity, fragmented structures, and skills gaps, weakening resilience (Dogo & Ngereboa, 2025; Bwanbale, 2024). Global standards like COSO and ISO 31000 offer frameworks, yet adoption remains limited due to cultural and infrastructural barriers.

Coordination ensures coherent responses; poor coordination causes inefficiencies (Kapucu & Garayev, 2018). In Nigeria, institutional fragmentation and unclear lines hinder this (Owolabi et al., 2022). Stakeholder involvement and cultural adaptation are critical for success (Novatia Consulting, n.d.).

Empirical indicators include structural (risk registers, audits) and relational (communication, competence) measures (Salawu et al., 2024). Preliminary data from Katsina MDAs show moderate identification but weaker mitigation and coordination.

Table 1: Perceived Effectiveness of Risk Identification and Mitigation Strategies in Selected MDAs

Department/Unit	Risk Identification (Mean)	Mitigation (Mean)	Coordination (Mean)
Finance and Accounts	3.8	3.5	3.2
Procurement	3.5	3.3	3.0
Internal Audit	4.0	3.7	3.5
Administration & HR	3.6	3.2	3.1
Planning and Policy	3.7	3.4	3.3

Note: 5-point Likert scale (1 = Very Ineffective, 5 = Highly Effective).

Risk management is continuous, evolving with regulatory and operational changes (Fraser & Simkins, 2022; Hopkin, 2018). In Nigeria, turnover, budgets, and leadership gaps undermine this. Integrating risk into governance enhances accountability (Owolabi et al., 2022).

Literature reveals formal frameworks exist but effectiveness is curtailed by coordination deficits, resources, and leadership. Proactive assessment, stakeholder collaboration, and cultural shifts are essential. This study empirically examines Katsina MDAs, contributing localized insights.

Research Methodology

A descriptive design suits capturing current risk practices without manipulation.

Population: 280 personnel from Katsina MDAs (risk officers, auditors, finance/admin staff, heads).

Sample: Purposive, stratified selection of 150 for expertise and balance.

Data: Questionnaires (perceptions of identification, mitigation, challenges, coordination) and interviews (contextual factors). Validated via experts and pilot; Cronbach's alpha = 0.87.

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Analysis: Descriptives and inferentials (Chi-square, Pearson) at 0.05 significance.

Table 2: Demographic Characteristics of Respondents

Functional Unit	Frequency	%	Avg. Experience (Years)
Finance & Accounts	35	23.3	8.2
Procurement	28	18.7	7.5
Internal Audit	30	20.0	9.1
Administration & HR	32	21.3	6.8
Planning & Policy	25	16.7	7.9
Total	150	100	7.9

Ethical protocols (consent, confidentiality) were observed.

Data Presentation and Discussions

Analysis of 150 responses:

Table 3: Effectiveness of Risk Identification Practices

Rating	Frequency	%	Mean
Highly Effective	35	23.3	
Effective	62	41.3	
Moderately Effective	38	25.3	
Ineffective	10	6.7	
Very Ineffective	5	3.3	3.7

64.6% rated effective/highly effective; mean 3.7 shows moderate-high perception, but proactive gaps persist (Salawu et al., 2024; Novatia Consulting, n.d.).

Table 4: Effectiveness of Risk Mitigation Strategies

Rating	Frequency	%	Mean
Highly Effective	28	18.7	
Effective	58	38.7	
Moderately Effective	45	30.0	
Ineffective	12	8.0	
Very Ineffective	7	4.6	3.5

Mean 3.5 indicates moderate effectiveness, limited by resources and leadership (Dogo & Ngereboa, 2025; Bwanbale, 2024).

Table 5: Effectiveness of Organizational Coordination

Rating	Frequency	%	Mean
Highly Effective	26	17.3	
Effective	60	40.0	
Moderately Effective	42	28.0	
Ineffective	15	10.0	
Very Ineffective	7	4.7	3.4

Mean 3.4 reflects coordination challenges (Kapucu & Garayev, 2018).

Inferential results: Chi-square (H1: 152.764, $p=0.000$; H2: 138.652, $p=0.000$); Pearson (H3: $r=0.68$, $p=0.000$).

Discussions: Formal mechanisms depend on leadership/resources; coordination is central; reforms needed (Salawu et al., 2024; Bwanbale, 2024).

Summary of Findings

The empirical evidence gathered from 150 respondents across selected ministries, departments, and agencies (MDAs) in Katsina State reveals a nuanced picture of risk management practices in the Nigerian public sector. Risk identification emerges as moderately effective, with a mean effectiveness score of 3.7 on a five-point Likert scale and 64.6% of respondents rating the existing mechanisms as effective or highly effective. Formal tools such as risk registers, internal audit reports, compliance checks, and routine operational assessments provide a foundational structure for detecting known operational and strategic risks. Nevertheless, the findings underscore a persistent deficiency in proactive orientation: anticipatory techniques including scenario planning, forward-looking risk forecasting, stakeholder consultations, and environmental scanning are infrequently employed. This reactive posture

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limits the capacity of MDAs to identify and address emerging threats in a timely manner, particularly in a volatile Nigerian context characterized by economic fluctuations, policy inconsistencies, and external shocks (Salawu et al., 2024; Novatia Consulting, n.d.).

Risk mitigation strategies similarly demonstrate moderate effectiveness, reflected in a mean score of 3.5. Respondents acknowledged the presence of internal control systems, ongoing monitoring frameworks, staff capacity-building initiatives, and policy enforcement mechanisms across most functional units. These measures contribute to reducing organizational exposure to identified risks, as confirmed by the statistically significant Chi-square result ($\chi^2 = 138.652$, $df = 4$, $p = 0.000$). However, implementation remains uneven and constrained by several interrelated factors: chronic resource inadequacy (financial, technological, and human), inconsistent leadership engagement and commitment, varying levels of staff competence, and fragmented institutional arrangements that hinder uniform application. Such limitations result in coverage gaps and diminished organizational resilience, particularly when responding to complex, multi-dimensional risks prevalent in the public sector (Dogo & Ngereboa, 2025; Bwanbale, 2024).

Organizational coordination stands out as a pivotal determinant of overall risk management success. With a mean effectiveness rating of 3.4, coordination is perceived as only moderately functional, with persistent challenges in communication efficiency, role clarity, information sharing, and collaborative decision-making across departments. Yet, the Pearson correlation analysis yields a strong positive and statistically significant relationship between coordination and mitigation effectiveness ($r = 0.68$, $p = 0.000$), indicating that MDAs with stronger inter-departmental collaboration and relational mechanisms achieve markedly better risk reduction outcomes. This finding aligns with theoretical and contextual literature emphasizing that structural tools alone are insufficient without effective relational dynamics (Kapucu & Garayev, 2018; Novatia Consulting, n.d.).

Systemic issues continue to undermine optimal risk management performance. Institutional fragmentation, bureaucratic silos, unclear reporting lines, and inadequate technical infrastructure exacerbate coordination deficits and resource constraints. A notable skills gap in risk management competencies particularly in advanced identification and analytical techniques further restricts proactive capability. These challenges are compounded by broader Nigerian contextual factors, including economic volatility, regulatory ambiguities, political influences, and security uncertainties, which collectively divert attention and resources away from sustained risk governance (Bwanbale, 2024; Owolabi et al., 2022). Collectively, the findings highlight that while foundational formal mechanisms exist and demonstrate moderate utility, their full potential remains unrealized due to deficiencies in proactivity, leadership consistency, relational integration, and institutional support.

RECOMMENDATIONS

To address the identified gaps and elevate risk management effectiveness in Nigerian public sector organizations, the following targeted, evidence-informed recommendations are proposed.

First, MDAs should institutionalize proactive risk identification mechanisms as a core component of organizational processes. This includes the regular adoption of scenario planning exercises, structured stakeholder engagement sessions (involving internal units, external partners, and service beneficiaries), risk mapping workshops, and environmental scanning protocols to anticipate emerging threats. Such forward-looking approaches, proven effective in dynamic environments like Nigeria's, would enable earlier detection of economic, regulatory, political, and operational risks, shifting the current reactive paradigm toward anticipatory resilience (Novatia Consulting, n.d.; Bwanbale, 2024).

Second, mitigation strategies require substantial strengthening through deliberate resource prioritization and capacity enhancement. Adequate budgetary allocations should support the upgrading of internal control systems, deployment of monitoring technologies, and establishment of dedicated risk units where feasible. Continuous professional development programs focused on risk assessment techniques, data analytics, and compliance must be mandated for relevant staff, addressing the prevailing skills gap. Leadership at all levels should demonstrate visible commitment by championing risk ownership,

integrating risk considerations into routine decision-making, and holding departments accountable for mitigation outcomes (Hopkin, 2018; Fraser & Simkins, 2022).

Third, organizational coordination must be deliberately fortified as a strategic priority. MDAs should establish clear communication protocols, define explicit roles and responsibilities in risk-related processes, and institutionalize regular inter-departmental forums such as risk review committees, joint planning sessions, and cross-functional task forces. These mechanisms would facilitate timely information exchange, reduce duplication, and promote unified responses to threats. Drawing on best-practice models, regular coordination performance assessments and feedback loops should be embedded to sustain improvements (Kapucu & Garayev, 2018).

Fourth, risk management should be fully integrated into the broader governance and strategic planning architecture of public sector entities. This entails aligning risk processes with annual planning cycles, performance reporting systems, and policy formulation frameworks, in line with internationally recognized standards such as COSO ERM and ISO 31000. A deliberate effort should be made to cultivate an organizational risk-aware culture through awareness campaigns, leadership modeling, and recognition of proactive risk behaviors. Pilot initiatives such as digital risk registers, automated monitoring dashboards, and annual enterprise-wide risk reviews could be introduced in select MDAs to test scalability and generate evidence for wider adoption (Fraser & Simkins, 2022; Novatia Consulting, n.d.; Bwanbale, 2024).

Implementation of these recommendations will require collaborative effort among MDA leadership, oversight bodies (e.g., Office of the Auditor-General, Bureau of Public Service Reforms), and development partners to provide technical assistance, funding support, and policy guidance. Over time, these measures promise to enhance not only risk outcomes but also overall public sector efficiency, accountability, and public trust.

CONCLUSION

This study concludes that risk identification and mitigation strategies in Nigerian public sector ministries, departments, and agencies remain only moderately effective, constrained by structural and relational shortcomings despite the existence of formal mechanisms. While internal controls, audits, compliance processes, and monitoring frameworks provide a baseline for risk handling, their impact is curtailed by limited proactivity in identification, inconsistent application of mitigation measures, resource scarcities, leadership variability, and persistent coordination weaknesses. The strong empirical association between organizational coordination and mitigation effectiveness ($r = 0.68$, $p < 0.001$) underscores that relational factors effective communication, role clarity, collaborative decision-making, and shared accountability are indispensable complements to technical structures.

Systemic barriers, including institutional fragmentation, bureaucratic inertia, skills deficiencies, and Nigeria-specific contextual pressures (economic instability, regulatory complexity, and security concerns), continue to impede the transition toward robust, forward-looking risk governance. Addressing these challenges is not merely a technical imperative but a strategic necessity for safeguarding public resources, ensuring service continuity, and rebuilding citizen confidence in governance institutions.

Strengthening coordination mechanisms, investing in human and technical capacity, embedding proactive practices, and aligning risk management with overarching governance frameworks represent critical pathways forward. By adopting these integrated reforms supported by established standards and localized adaptation Nigerian MDAs can enhance organizational resilience, improve strategic decision-making under uncertainty, elevate accountability, and ultimately deliver more reliable and equitable public services. Future research should extend this inquiry to other states, incorporate longitudinal designs, and explore the impact of targeted interventions, thereby contributing further to evidence-based public sector reform in Nigeria.

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