RISK MANAGEMENT TECHNIQUES AS A TOOL TO IMPROVE ORGANISATIONAL EFFICIENCY OF MANUFACTURING INDUSTRIES IN NIGERIA

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Abstract

The declining trend in Nigeria's Gross Domestic Product (GDP) and the organizational shortfall caused by poor risk management in manufacturing companies necessitate the immediate attention of the researchers. This study, therefore, examined how the organizational efficiency of the manufacturing sector can be enhanced via proper risk management methods and their resultant effect on Nigeria's economic growth. To accomplish the study's objectives. The survey research method was used in this study, which used both primary and secondary data. The statistical software for social sciences (SPSS) was employed for data analysis. At a 5% level of significance, Hierarchical Regression Methods were utilized to test hypotheses. This study found that risk identification has a significant effect on organizational efficiency; risk assessment has a significant effect on organizational efficiency and risk management and organizational efficiency has a significant effect on GDP. Based on the study's key findings, it was stated that risk management and organizational efficiency are determinants of economic growth in manufacturing sectors in Nigeria. Accordingly, the study recommended that efficient risk management programs should be incorporated into the manufacturing sectors' operations, cultures, methods, and practices to ensure organizational productivity and financial growth.

Keywords: Risk Management, Organizational Efficiency, Economic Growth, Manufacturing Industries.

1. Introduction

The Nigerian economy has been adversely impacted by the continual closure of companies because of the oil price shock that began in mid-2014, this could be a sign that risk management strategies are inadequate. The economy slowed dramatically in 2015, with yearly real GDP growth falling to 2.7 percent from 6.2 percent in 2014. By the year 2016, the Nigerian economy entered another brutal recession, with a -1.5 percent growth rate as oil supply limitations

compounded the drop in oil prices. The Nigerian economy emerged from recession in the second quarter of 2017, with a growth rate of 0.5 percent. The resurgence was aided by a strong recovery in the oil sector, which was fuelled by higher oil prices and higher production volumes (Ishola, Olaleye, & Ajayi, 2020). Furthermore, the non-oil sector grew for the second quarter in a succession, owing to continued recovery in the manufacturing sector and better foreign currency (FX) availability. Aside from the increase in real GDP, the economy's performance across a number of other macro-indicators indicates that it is on the verge of a wider recovery. The global economy's GDP contracted by 6.8% from January to August in 2020, which is higher than the 6.5 percent expected by analysts and lower than the 6% increase in the fourth quarter of 2019. (World-Economic-Forum, 2020).

Poor risk management has been found to be a significant factor in the loss of the asset base of several organizations. It has a significant impact on a country's economic fortunes (Steve, 2021). The manufacturing sector is experiencing a steady decline in sales, productivity, and revenues as hazards and pandemics increase, particularly in late 2019, and several manufacturing companies are still grappling with the unexpected. As a result of the Coronavirus pandemic, numerous productive industries, particularly manufacturing enterprises, were forced to close in the fourth quarter of 2019 and the first quarter of 2020, resulting in a global economic slowdown.

Many industrial organizations are experiencing cash-flow liquidity problems as well as challenges in managing debt commitments (Steve, 2021). Manufacturing Sector in the present operational framework, according to Brocal, González, Komljenovic, Katina, and Miguel (2022), bears significant sources of complications. This environment creates both classic and developing dangers, both of which must be addressed because these risks are intricately intertwined, and their management involves both corporate and occupational concerns. As a result, based on how powerful and effective any government assistance and support are, the insurance business may see some manufacturers struggling to recover and perhaps file for bankrutcy, because the majority of its personnel is involved in on-site jobs that cannot be executed remotely, the industry is extremely susceptible and at danger (Adenike, 2020). Manufacturers should also be creating social distancing in work environments that are normally worker-dense, considering the nature of the industry. Manufacturers are also prepared for massive outages around the world. This will have an impact not just on their operations, but also on the supply chain, cutting demand for components and materials, which will affect vendors (Anjola, 2020). The economy's sudden collapse is a strong demonstration of the downfall of industries (particularly manufacturing) (Arens, Elder, & Beasley, 2020). When the productivity of industries declines, so does the economy's growth (Steve, 2021). As a result, the purpose of this study is to look at Improving the

Organizational Efficiency of the Manufacturing Industry through Proper Risk Management Techniques and its Impact on Nigeria's Economic Growth.

2. Statement of the Problem

The Nigerian economy experienced difficulty in its manufacturing capacity, resulting in a gradual reduction in the country's Gross Domestic Product (GDP). Following the first full year of recession in 1987, the economy witnessed negative growth in the first quarter of 2016 which resulted in a recession.

The Nigerian economy was significantly reliant on crude oil earnings before the global crude oil price decline in 2015, this resulted in poor economic performance. The scenario may have been avoided if the government had fully explored other investment options in Nigeria, such as contributions from manufacturing enterprises and other sectors, in order to ensure the economy's long-term prosperity. Rising inflation and interest rates, an absence of foreign exchange to pay for crude materials and equipment, associated dangers, and unpredicted unforeseen circumstances like the COVID 19 pandemic irritated investors and mamanufacturersaffecting organizational efficiency and led to the shutdown of several manufacturing companies, possibly due to a lack of suitable methods to handle the possible risk affecting their business activities, survivability, and sustainable development. The inability of the manufacturing sector to appropriately prepare for risk management has an impact on their productivity and profitability, which in turn has an impact on the country's economy (Arrunada & Paz-Ares, 2020). The inability of the manufacturing sector to detect risk, assess risk, develop effective risk responses, and integrated control operations has a negative impact on the efficiency of the organization. Similarly, organizational efficiency has an impact on the Gross Domestic Product (GDP) (Bazerman, Loewenstein, & Moore, 2020).

Objectives of the Study

The primary aim of this study is to examine how the organisational efficiency of the manufacturing industry can be improved through proper risk management techniques so that the economic growth of Nigeria can be positively impacted.

The specific objectives are to ascertain the extent to which

1. risk identification impacts the organisational efficiency.
2. risk assessment impact on organizational efficiency.
3. risk management and organisational efficiency affect Gross Domestic Product (GDP).

Research Questions

The following research questions provide a guide for the study. To what extent does

1. risk identification impacts the organisational efficiency?
2. risk assessment impact on the organisational efficiency?
3. risk management and organisational efficiency affect Gross Domestic Product (GDP)?

Hypotheses

H_{01}: Risk identification does not have significant impact on the organisational efficiency

H_{02}: Risk assessment does not have significant impact on the organisational efficiency

H_{03}: Risk management and organizational efficiency does not have significant impact on the Gross Domestic Product (GDP).

4. Review of Related Literature

Risk

Risk is an aspect of our daily lives, either we are involved in business activities or not. As the world surrounding continues to develop, individuals encounter new problems spurred on by the evolving world Cushing, 2017). It is worth noting that a variety of economic, social, and geopolitical elements continues to alter our community (Dopuch, King, & Schwartz, 2017). A current worldwide research suggested that economic chances remain sensitive to changes in trade policy, a rapid downturn in global financial markets, and escalating international tensions, in light of In Nigeria, various threats have beset the society, including rising levels of insecurity caused by terrorism, militancy, robbery, and religious intolerance, herdsmen attacks, and abduction, among others. Furthermore, businesses are faced with the issue of high operating costs, which has resulted in the closure of a wide range of organizations, and the few that are still in business have the task of managing the accompanying risk in the Nigerian business climate. Surprisingly, the literature on risk management is steadily growing, with a strong emphasis on risk minimization. As a result, organizations are now considering risk management as a viable option if they want to ensure the long-term viability of their operations (Hussey & Lan, 2018). According to the conventional definition of risk, risk can be measured by two main variables: a) the likelihood of occurrence of the "risky" incident, i.e., the couple of times the risky incident is replicated in a predefined timeframe, and b) the severity of the implications that the event creates, i.e., all the implications of its incidence (Maggin, 2017).

the problems of growing risk and uncertainty affecting the world today (Gietzmann & Sen, 2018).

Classification of Risk

Risk has been classified in a number of ways by various authoers, scholars, researchers and practitioners, some of these classficiation are, financial risk and non-financial risk, dynamic risk and static risk, systematic risk and diversified risk, diversfieid risk, pure risk and speculative risk, fundamental risk and particular risk, core risk and non-core risk, and operational risk and strategic risk. The classifications lay emphasis on the nature of the risk, its features and source (Meijman, 2018).

Risk Management

Risk management has increased in popularity use in the scientific community, institutions, and professionals since risk has always been a feature of humanity and all human organizations (American-Institute-of-Certified-Public-Accountants, 2020). As a result, knowing the roots of risk management as a concept is critical to fulfilling the objective of knowing why developing nations stand to gain immensely from such a methodology. Risk management is described as the process of protecting a company's assets from damages that may occur during the course of its operations, through the use of different instruments (prevention, preservation, insurance, and so on) and at the lowest possible cost. Risk management is also described as the procedure of planning, organizing, coordinating, and managing resources to achieve certain goals when unanticipated good or bad incidents happen. Another explanation of risk management is "a coordinated collection of actions and strategies used to supervise and manage the myriad risks that can impair an organization's capacity to fulfill goals" (Akst, 2017). Risk management is the method of deciding whether to accept a known or estimated risk or taking steps to limit the implications or possibility of an undesirable event occurring (Ola, 2017).

Organisational Efficiency

Organizational efficiency is described as a company's ability to carry out its goals with the fewest resources possible. It is an important part of the firm's organizational effectiveness since it determines the effectiveness and degree of achievement with which the organization can fulfill its objectives (Ogunsola, 2020). Organizational efficiency is the measure to which a company thrives in using the least available resources to achieve the best potential results (Afolabi, 2019). Resources include both physical assets such as currency and intangible elements such as human resources. These factors can have an impact on the efficiency with which a firm's funds are used. For example, the general education of an organization's geography often influences the productivity of its workers (Oriade, 2017). Management quality is possibly the most significant influence on

organization effectiveness since management decides how to execute strategic plans, such as the methodologies to use and how to guide employees to make the most of their labor (Ajake, 2020).

Companies that are very effective have strengths in five key areas: leadership, decision making and structure, people, work processes and systems, and culture. To achieve and maintain success, a company must conform to its evolving landscape. One technique for ensuring an organization's continuing growth and development is to evaluate and improve its organizational efficiency and effectiveness. Evaluating organizational success can be an imprecise science because each institution has a unique set of requirements and objectives to weigh and examine via self-assessment (Al-Salman., 2016). Recognizing a firm's organization performance is significant for two reasons: it provides a check-in to perceive how well internal processes are meeting an original objective, it gives investors, donors, or workers a clue of the competitive strengths, and it showcases areas of ineptitude that can be the priority of significant improvement.

Gross Domestic Product (GDP)

There are various definitions and methods for evaluating economic growth, but the primary definition is development in the economy's long-term productive capability, which is primarily determined GDP. GDP growth can be expressed in terms of consumption (total goods and services purchased) or supply (total goods and services generated) (Arens, Elder, & Beasley, 2020). When determining GDP growth from one year to the next, real GDP gives a more precise picture of the economy (Biralu & Emem, 2018). The real GDP is the sum of the economy's value addition throughout a given period or the sum of the economy's income over a specified timeframe modified for the influence of rising prices (Nurudeen, 2016). It is the calculation of GDP without taking additional components into consideration, like inflation. The first rationale that nominal GDP rises over duration is that the output of most products rises with time (Ishola, Olaleye, & Ajayi, 2020). The second point to mention is that the naira price of most commodities rises over time (Blumberg, 2016). If the foreign debt to GDP ratio hits about 50%, global banking markets should get very concerned. It does, nevertheless, rely on the nation's size and stage of development. However, economists familiar with GDP and the System of National Accounts (SNA) system have emphasized that GDP is an indicator of economic growth, not economic well-being, ever since beginnings (Burrell & Morgan, 1979).

They argue that GDP is a technical instrument, and that using it as a measure of a country's overall economic well-being is both wrong and

harmful (Business-Queensland, 2017). This is due to the fact that the degree at which GDP statistics is provided is dependent on a country's informative organization.Internationally, particularly in developing countries, GDP data is published at the national scale; however, in the United States and other developed countries, GDP is frequently reported at the national, state, and metropolitan regional levels, although this consistency and promptness of the data reduces as the scale increases (Carmines & McIver, 2015).

Theoretical Review

Financial Economic Theory

The concepts of financial economics (also known as contemporary banking) are the consequence of a positivism philosophy-inspired form of academic thought. This ideology is founded on Milton Friedman's now-famous essay "The Methodology of Positive Economics," which he wrote in 1953, and was subsequently revised by other well-known scholars, like Robert Lucas and Eugene Fama in 1964, to fit their relatively narrow objective (Cave, 2016).

The study of fair market value, risk and returns, and the funding of securities and commodities is known as financial economic theory. Several monetary elements, such as interest rate and inflation, are considered.

New Institutional Economics Theory

Ronald Coase, who established the New Institutional Economics in 1937, is a well-known economist. The new institutional economics theory uses a unique approach to risk management and offers a unique justification for company behavior (Charlesworth, 2017). The emphasis here is on effective governance and the socioeconomic structures that govern them. It anticipates, specifically, that risk management strategies will be established by organizations or recognized norm inside a market or business (Churchill & Iacobucci, 2019). New Institutional Economics Theory (NIE) has gained attention in the implementation and advancement of transaction cost theory (TCT), for whom the analytical point of view is clear and unambiguous particularly in the work of Williamson, arising in the concepts of recognizes Williamson's significance for the spreading and convergence of TCT, as a foundational guide to performance analysis, particularly of businesses and their method of operation in the market environment (Clark & Watson, 2014).

Empirical Review

Biralu and Emem (2018) investigated the effects of risk management and Enterprise Risk Management (ERM) on Nigerian economic growth and expansion. In order to assert facts and make inferences, the work used a contemporary research technique. The results reveal that ERM is an important tool for dealing with the unpredictability that comes with doing business in Nigeria. It was found that knowing ERM and the International Standard Organization Risk Management Model are required to promote widespread acceptance and execution of ERM in Nigerian business companies for long-term economic growth. Nurudeen (2016) analytically evaluated the effect of insurance risk management via the claims payment window on the increase in the output level of the Nigerian GDP. The claimed payment-economic growth model was analyzed and analyzed using multivariate regression, causality, and a simulation model of linear formation. The analysis indicated that, in the long term, insurance claims paid on fire, disaster, motor vehicle, workers' liability, and marine insurance have an important influence on Nigeria's GDP production level. Great achievements in indemnification increase the operational quality of existing stock of capital and assure the survival of firms in the economy, consequently increasing output performance. The author advocates for increased insurance knowledge, consumption, and timely claim settlements. Oriade (2017) did a study on the influence of economic recession and risk management in Nigeria's manufacturing business. The study's major goal was to explore the impact of economic recession and risk management on the performance of Nigeria's manufacturing sector. According to the findings of this study, economic recession and poor risk management have had an adverse impact on the productivity of Nigeria's manufacturing business.

In 2019, the American Institute of Certified Public Accountants did a survey on risk management in the new economy. The study employs a cross-sectional research design with a regression model and showed that good risk management is essential in order to improve the economy.

5. Methodology

Design: The cross-sectional research design was used in the study, along with a quantitative research method using a structured questionnaire that was distributed to several manufacturing organizations.

Population This study focuses on top management team of manufacturing firms listed on the Nigerian Stock Exchange who, based on their experience and expertise, can be considered as top management known for decision making. The Nigerian Stock Exchange (NSE) listed 20 manufacturing businesses. These 20 manufacturing businesses has about three hundred and twenty top executive

personnel, this category of top management staff remains the population of the study.

Sampling procedure: The study applied the Taro Yamane formula for determination of the sample size as follows: $n = N/(1+N(e)^{2}$. Where n is the sample size, N is the population size and e is the level of significance respectively, which in this case shall be 0.05. A sample size of 320 was used as the sample for the study.

$$n = \frac{320}{1 + 320\ (0.05)^2}$$

$$n = 178$$

Research Instrument: Primary data and secondary data were used in the study. The questionnaire used was divided into Seven (7) sections based on the research objectives. Section A was designed to get the demographical characteristics of the respondents; Section B ascertain the extent to which risk identification impact on the organisational efficiency; Section C determine how risk assessment impact on the organisational efficiency; Section D ascertain the extent to which risk response impact on the organisational efficiency; Section E ascertain the extent to which control activities affect organisational efficiency; Section F determine the extent to which organisational efficiency affect Gross Domestic Product (GDP); Section G determine how risk management affect organisational efficiency on the Gross Domestic Product (GDP).

Validity and Reliability of the Instrument

Table 1: CVI for Questionnaire

Variable	Experts										Mean CVI
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	
Risk identification	1	0.7	0.9	1	0.9	0.5	0.9	0.9	1	1	**0.78**
Risk assessment	0.8	0.93	0.93	0.7	0.87	0.5	0.8	0.8	0.9	0.9	**0.81**
Risk response	1	1	0	1	1	0.6	1	1	0.8	0.9	**0.83**
Control activities	0.9	0.8	0.1	1	1	0.1	0.9	0.9	0.9	1	**0.76**
Organisational efficiency	0.7	1	0	1	1	0.6	1	1	0.8	0.9	**0.73**
Risk management	0.8	0.7	0.1	1	1	0.1	0.8	0.8	0.9	1	**0.86**
Gross Domestic Product	0.9	0.8	0.6	0.9	0.87	0.9	0.7	0.8	0.6	0.8	**0.79**

Source: Researchers Field Survey (2022)

As could be seen in the table 3.6 below, all the variables have Cronbach's alpha coefficient above 0.7. Thus, confirming reliability of the instrument for the study.

Table 2: Reliability Test

Variable	Cronhach alpha (α)	Scale
Risk identification	0.875	1 – 5
Risk assessment	0.807	1 – 5
Risk response	0.819	1 – 5
Control activities	0.885	1 – 5
Organisational efficiency	0.821	1 – 5
Risk management	0.835	1 – 5
Gross Domestic Product	0.974	1 – 5

Source: Researchers Field Survey (2022)

Analysis: The study used descriptive and inferential tools in analysing the data that was gathered. Hierarchical Regression Methods were utilized to test hypothesesat a 5% level of significance. This method allows the researcher to ascertain the impact of each independent variables on the dependent variable in a certain order (hierarchy).

Model Specification

$GDP = \beta_0 + \beta_1 ORG\text{-}PERF + \varepsilon$ … Model 1

$GDP = \beta_0 + \beta_1 ORG\text{-}PERF + \beta_2 RI + \varepsilon$ … Model 2

$GDP = \beta_0 + \beta_1 ORG\text{-}PERF + \beta_2 RI + \beta_3 RA + \varepsilon$ … Model 3:

$GDP = \beta_0 + \beta_1 ORG\text{-}PERF + \beta_2 RI + \beta_3 RA + \beta_4 RR + \varepsilon$ … Model 4:

$GDP = \beta_0 + \beta_1 ORG\text{-}PERF + \beta_2 RI + \beta_3 RA + \beta_4 RR + \beta_5 CA + \varepsilon$ … Model 5

Where: GDP = Gross Domestic Products

$\beta 0$ - is a constant

$\beta_1 ORG\text{-}PERF$ – Organisational Performance

$\beta_2 RI$ – Risk Identification is the unstandardised B coefficient of risk management

$\beta_3 RA$ – Risk Assessment is the unstandardised B coefficient of risk management

$\beta_4 RR$ – Risk Response is the unstandardised B coefficient of risk management

$\beta_5 CA$ – Control Activities is the unstandardised B coefficient of risk management

ε is the error term.

6. Results

Data Presentation – Response Rate

From a sample of 178, those who responded to the administered questionnaire were 173 which is 97.3% response rate which is high. Secondary data relating to GDP was retrieved from the National Bureau of Statistics, and data relating to organisational efficiency was retrieved from the financial statement of the manufacturing companiesfrom 2014 to 2020.

Test of Hypotheses

Hypothesis One

H_{01}: Risk identification does not have significant impact on the organisational efficiency

Table 3: Model summary for Risk Identification, Risk Response and Organisational efficiency

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.827[b]	.684	.672	.72283	.260	42.844	1	303	.000	2.349
2	.898[b]	.736	.722	.67558	.313	45.381	1	303	.000	2.057

Source: Author's computation, 2022.

Table 3 shows the relationship between risk Identification, risk response and organisational efficiency. In the table, the entry of risk identification accounted for 82.7% of variance in organisational efficiency which is significant by F Change test, (R^2 = 0.684; F = 42.844, p < 0.000). Similarly, the entry of risk response explains the increase in organizational efficiency variable from 82.7% to 89.8% which is also significant by F Change Test, (R^2 = 0.736; F = 0.67558, p < 0.000). This implies that, once risk is identified and positive response is given to address the potential risk, organisational efficiency will increase significantly. Hence, the joint test of Risk identification jointly contributed significantly to organizational efficiency.

Table 4: Coefficient of Risk Identification and organisational efficiency

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.544	.544		1.000	.322
Risk Identification	.321	.118	.265	2.714	.000
Risk Response	.421	.133	.721	7.321	.009

a. Dependent Variable: ORG – EFF

Source: Author's computation, 2022.

Considering the coefficient of Beta in table 4, Risk Identification (Beta = 0.265, t = 2.714, p < 0.000), and Risk Response (Beta = 0.721, t = 7.321, p < 0.009) have positive and significant impact on organisational efficiency. This means that positive coefficient associated with risk management indicate effective handling of risk.

Hypothesis Two

H_{02}: Risk assessment does not have significant impact on the organisational efficiency

Table 5: Risk Assessment and Organisational Efficiency

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.711[a]	.505	.496	.71171	.505	54.121	1	53	.000

Source: Author's computation, 2022.

Table 5 reveals the relationship risk identification, risk assessment and organisational efficiency of selected manufacturing firms in Nigeria. As can be seen, entry of risk assessment explained 50.5% of manufacturing firms' organisational efficiency ($R^2 = 0.505$; F = 54.121, p < 0.000). This implies that out of many factors leading to organisational efficiency, risk assessment contributed 50.5%.

Table 6: Impact of Risk Assessment on Organisational Efficiency of Manufacturing Firms

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	.263	.296		.887	.379
Risk Assessment	.524	.079	.496	6.600	.000

a. Dependent Variable: ORG-EFF

Source: Author's computation, 2022.

In Table 6, the regression model with positive constant indicates that risk assessment plays significant role in determining organisational efficiency. As it is evident, risk assessment (Beta = 0.524, t = 6.600, p < 0.000), has positive impact on organisational efficiency of the selected manufacturing firms, Nigeria.

Hypothesis Three

H_{03}: Risk management and organisational efficiency and does not have significant impact on the Gross Domestic Product (GDP).

Table 7: Model Summary for Hypothesis Three

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.217a	.227	.525	32514241624.2541	1.51
2	.518a	.471	.495	77414100154.5414	2.05

a. Predictors: (Constant), Rsk MGT; OGR – EFF

b. Dependent Variable: GDP

Source: SPSS version 25 output.

Table 8: Coefficients for Hypothesis Three

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	641416329	41003109		1.210	.011
	Risk Mgt	1.141	1.210	.071	2.21	.009
	ORG – EFF	3.141	2.210	.411	2.21	.001

a. Dependent Variable: GDP

Source: SPSS version 25 output.

As shown in the model summary, there is positive relationship between Risk Management and Gross Domestic Product, which account for about 27%. R being the determinant of correlation explain the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 21%, this implies that the independent variables can predict or determine dependent variables up to 21%. This study revealed that Risk Management have a significant effect on gross domestic product.

The p value of 0.009 is lower than 0.05, organisational efficiency moderates the impact of risk management on the Gross Domestic Product (GDP), and hereby reject the null Hypothesis.

There is positive relationship between organisational efficiency and GDP, and this account for about 47%. R being the determinant of correlation explain the extent to which the independent variable could explain the dependent variable. R square as shown in model summary is about 51%, this implies that the independent variables can predict or determine dependent variables up to 51%.

7. Discussion

This study revealed that proper risk identification as a risk management strategy can significantly impact the efficiency of a manufacturing industry with a causal effect on the Nigeria economy. The study also revealed that risk assessment has significant impact on the organisational efficiency, and lastly, proper risk

management and organisational efficiency has significant impact on the Gross Domestic Product (GDP). These findings is in line with study conducted by Biralu and Emem (2018) who investigated the effects of risk management and Enterprise Risk Management (ERM) on Nigerian economic growth and expansion. In order to assert facts and make inferences, the work used a contemporary research technique. The results reveal that ERM is an important tool for dealing with the unpredictability that comes with doing business in Nigeria.

Similarly, findings from this study is supported by study conducted by Oriade (2017) conducted a study on the influence of economic recession and risk management in Nigeria's manufacturing business. The study revealed that economic recession and poor risk management have had an adverse impact on the productivity of Nigeria's manufacturing business. Lastly, in 2019, the American Institute of Certified Public Accountants did a similar survey on risk management in the new economy and concluded that good risk management is essential in order to improve the economy.

8. Conclusion

This study focused on the impact of risk management and organisational efficiency on the economic growth in manufacturing industries, South West, Nigeria. The study concluded that risk management and organizational efficiency are predictors of economic growth in manufacturing industries in Nigeria. The basis for the conclusion is not noted.

9. Recommendations

1. Manufacturing companies should put all necessary measures in place to ensure that inherent risks are identified and prompt response measures must be put in place to arrest such identified risk;
2. Risk that are identified must be assessed in order to ensure that such risks are calculated and such risk are prevented from occurrence;
3. Risk that are identified should be controlled in order to avoid future occurrence of such risk;
4. Risk must be well managed in order to ensure organisational efficiency and also to enhance the Gross Domestic Product (GDP);
5. Manufacturing companies to entrench well-couched policies which support effective risk management to improve organisational efficiency and enhance economic growth.

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