

Diversification and Risk Management in Non-Profit Organisations: A Case Study

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Abstract : Background: This paper investigates the nature of risk management practices in non-profit organizations. It is argued here that the risk exposure of these organizations has increased as a result of their entrepreneurial activities. This study explores how a particular non-profit organization formulates its risk strategies in the face funding restrictions. Design/Method/Approach: The study adopts a case study approach to report the results on how a non-profit organization diversifies its activities, tackles risks arising from such activities and improves performance. Results: The findings show that the organization made structural adjustments and leadership changes which helped to adjust their risk strategies. It also reports the organizational processes to deal with risks arising from both related and unrelated diversification strategies. Implications: Any generalization from this case example needs to be taken with caution as there are significant differences between non-profit organizations operating in different sectors. Originality: The paper makes a significant contribution to the non-profit literature by highlighting the diversification strategies along with risk performance.

Keywords : risk management, performance management, non-profit organizations, financial management

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