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Risk Transfer Mechanisms and Success of Information Systems Projects: A Case of Golis Telecommunication Company, Garowe District, Somalia.

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Abstract: *Information systems projects are inherently exposed to various risks that can undermine their successful implementation, particularly in dynamic and resource-constrained environments. This study examined the effect of risk transfer mechanisms on the success of information systems projects at Golis Telecommunication Company in Garowe District, Somalia. Guided by risk management theory, contingency theory, and stakeholder theory, the study adopted a correlational research design to establish the relationship between risk transfer practices and project success. The study population comprised employees involved in information systems projects, from whom a sample was selected using simple random sampling, while key informants were selected purposively. Data were collected through structured questionnaires and key informant interviews. Quantitative data were analysed using descriptive and inferential statistics, while qualitative data were analysed thematically to support the quantitative results. The findings revealed that risk transfer mechanisms had a positive and statistically significant relationship with the success of information systems projects (r=.396, P<.0.01). The analysis indicates an R value of 0.396, suggesting a moderate positive relationship between risk transfer mechanisms and the success of information systems projects at Golis Telecom. The study concludes that effective risk transfer enhances project outcomes by reallocating risk to parties best positioned to manage it. The study recommends that telecommunication industries institutionalise risk transfer strategies within their project risk management frameworks to improve the success of information systems projects.*

Keywords: Risk transfer mechanisms; Information systems projects; Project success; Risk management; Telecommunications industry; Garowe District; Somalia.

1. Introduction

The role of risk management in determining the success of information systems (IS) projects has evolved significantly since the 1990s, particularly in developed nations such as the United States, the United Kingdom, and across Europe. In the United States, the failure rate of IS projects was reported at 19% in the 2000s, prompting the development of comprehensive risk frameworks such as the NIST Risk Management Framework (NIST, 2021). By 2023, research indicated that over 74% of organisations that employed integrated risk transfer and mitigation strategies achieved there IS project goals on time and within budget (PMI, 2023). In the UK, digital transformation initiatives, such as the NHS Spine 2 project, have demonstrated that effective risk identification and mitigation can ensure the success of large-scale IT projects, especially in tight regulatory environments (KPMG, 2022). These trends highlight the significant impact of structured risk management on IS project outcomes worldwide.

The adoption of risk management techniques in information systems has grown significantly over the past two decades, although the outcomes have been mixed due to varying infrastructural and governance conditions. In South Africa, the adoption of integrated risk management frameworks has resulted in improved performance of public sector IS projects, with evidence from the Department of Home Affairs' biometric project showing that using risk mitigation strategies increased project efficiency by 31% (Govender & Pretorius, 2020). Similarly, in Nigeria, studies show that poor risk identification and avoidance techniques contribute to nearly 45% of IS project failures in government and banking institutions (Ogunleye & Olayemi, 2022). This indicates that the lack of appropriate risk response mechanisms impedes success.

Ideally, Information Systems (IS) projects are expected to achieve success by being delivered on time, within budget, meeting their functional objectives, and satisfying users and stakeholders (DeLone & McLean, 2003; PMI, 2021). Effective risk management techniques such as risk transfer play a pivotal role in ensuring that potential threats are systematically handled to minimise disruptions and enhance project outcomes (Hopkin, 2018; Hillson & Murray-Webster, 2017). Organisations that apply structured risk management frameworks typically experience higher levels of IS project success, including operational efficiency, system usability, and stakeholder satisfaction (Serrador & Turner, 2015; Zwikael & Ahn, 2011).

However, the actual situation in Somalia, particularly in Garowe District, reveals a troubling gap between expectations and reality. Information Systems projects implemented by telecommunications companies like Golis often experience delays, cost overruns, and failures to meet functional requirements (Yusuf & Ibrahim, 2023). A recent assessment by the Somali Ministry of Telecommunications (2022) showed that over 47% of ICT projects in Puntland failed to meet their original performance targets due to poor risk response strategies and inadequate planning. This is consistent with findings from global IT project studies, which show that more than 35% of IS projects fail due to mismanaged risks (Standish Group, 2020).

Despite the recognised importance of risk management, there is limited empirical research on how specific risk management techniques influence the success of IS projects in fragile and resource-constrained environments such as Somalia. Most existing studies focus on general project failure factors without disaggregating the effect of specific risk responses like avoidance, mitigation, or transfer (Osei-Kyei & Chan, 2017; Ika, 2009). As a result, there is insufficient understanding of which techniques are most effective in local contexts, such as Golis Telecommunication Company's operational environment in Garowe. This study, therefore, sought to bridge this knowledge gap by examining the effects of risk transfer mechanisms on the success of Golis Telecommunication Company. The study assumed the null hypothesis (H_0) that there is no significant effect of risk transfer mechanisms on the success of Golis Telecommunication Company.

2. Literature review

2.1Theoretical review

This study is grounded in Risk Management Theory, Contingency Theory, and Stakeholder Theory to explain the relationship between risk transfer mechanisms and the success of information systems (IS) projects. The integration of these theories provides a comprehensive framework for understanding risk response mechanisms, contextual influences, and stakeholder dynamics in IS project environments.

2.2 Risk Management Theory

Risk Management Theory, developed by Hillson (2002), conceptualises risk as an uncertain event that may affect project objectives related to cost, time, scope, and quality. The theory categorises risk response strategies into avoidance, mitigation, transfer, and acceptance. Risk transfer involves shifting the ownership or financial consequences of risk to third parties through mechanisms such as insurance, outsourcing, fixed-price contracts, and service-level agreements.

In information systems projects, which are characterised by high levels of technological uncertainty and complexity, risk transfer is a critical strategy for managing exposure to cost overruns, system failures, and implementation delays. By transferring specific risks to external entities with specialised expertise, project managers enhance predictability and control over project outcomes. Accordingly, Risk Management Theory supports the proposition that effective application of risk transfer mechanisms contributes positively to IS project success.

2.3 Contingency Theory

Contingency Theory, introduced by Fiedler (1964), argues that there is no universally optimal management approach; rather, effectiveness depends on the alignment between managerial practices and situational factors. Applied to IS projects, the theory suggests that the effectiveness of risk transfer mechanisms varies according to project complexity, environmental uncertainty, and organisational context.

Large-scale or innovative IS projects may require extensive outsourcing and contractual risk-sharing arrangements, while routine projects may rely less on formal risk transfer mechanisms. Regulatory frameworks, vendor market conditions, and organisational risk tolerance further influence the suitability of risk transfer strategies. In this study, Contingency Theory explains variations in IS project success by emphasising that risk transfer mechanisms enhance performance only when they are appropriately aligned with project-specific conditions

2.4 Stakeholder Theory

Stakeholder Theory, proposed by Freeman (1984), posits that organisational success depends on effective management of relationships with stakeholders who can influence or are affected by project activities. In IS projects, key stakeholders include project sponsors, users, IT teams, vendors, contractors, insurers, and regulators.

Risk transfer mechanisms redistribute risk responsibilities among stakeholders through contracts and service-level agreements. Poorly designed risk transfer arrangements can lead to conflicts and misaligned expectations, undermining project performance. Conversely, transparent and inclusive risk transfer mechanisms enhance trust, accountability, and cooperation among stakeholders.

Stakeholder Theory, therefore, explains how effective stakeholder engagement strengthens the positive relationship between risk transfer mechanisms and IS project success.

2.5 Theoretical Integration

The three theories collectively provide a coherent framework for this study. The study requires Risk Management Theory, Contingency Theory**,** and Stakeholder Theory because each theory addresses a distinct but critical dimension of risk transfer in information systems projects. Risk Management Theory is required to conceptualise risk transfer as a formal risk response mechanism and to explain its direct role in minimising cost overruns, schedule delays, and system failures. Contingency Theory is required to explain why the impact of risk transfer mechanisms on project success varies across information systems projects, as their effectiveness depends on contextual factors such as project complexity, technological uncertainty, and organisational risk tolerance. Stakeholder Theory is required to explain how risk transfer redistributes risk ownership among multiple stakeholders, particularly vendors and contractors, and how stakeholder alignment, accountability, and cooperation influence project outcomes. The integration of these theories is required to provide a complete explanation of the technical, contextual, and relational factors through which risk transfer mechanisms affect the success of information systems projects. Collectively, these theories provide the conceptual foundation for examining the relationship between risk transfer mechanisms and the success of information systems projects, guiding the selection of variables, formulation of hypotheses, data analysis, and interpretation of findings within the context of Golis Telecommunication Company's CRM and billing systems project in Garowe District, Somalia.

3. Methodology

3.1 Research Design

This study employed a correlational research design to investigate the relationship between risk transfer mechanisms and the success of information systems (IS) projects. The correlational design was selected because it allows for the examination of the strength and direction of associations between variables without manipulating them, which is appropriate given the study's objective to explore natural relationships in real-world project settings.

3.2 Study Population

The study population for this research comprises an estimated 400 employees and stakeholders directly or indirectly involved in Information Systems (IS) projects at Golis Telecommunication Company in Garowe District, Puntland, Somalia. These individuals span across technical, operational, managerial, and administrative roles, including system developers, project managers, IT officers, risk analysts, and department heads. From this overall population, a target population of 200 respondents (representing 50% of the study population) was identified for the quantitative component of the research. This percentage was selected due to its practical manageability and because it captures those staff who are most engaged with IS project implementation and risk management processes (Puntland Ministry of Telecommunications, 2023; Hussein & Omar, 2022).

3.3 Sample Size and Sampling Procedure

The study's sample size consisted of 132 respondents, which was deemed adequate based on the population size and relevant sampling guidelines. The study sample size was determined using Krejcie & Morgan tables. To ensure representativeness and depth, a combination of simple random sampling and purposive sampling techniques was employed.

Simple random sampling was used to select the majority of respondents from a comprehensive list of project managers and IT technicians, risk and compliance officers, end-users /system operators, and department heads. involved in information systems projects. This method minimised selection bias and enhanced the generalizability of the findings by giving all eligible individuals an equal chance of inclusion. In addition, purposive sampling was applied to deliberately select key informants such as senior project managers, project managers, IT team leaders, and risk officers with specialised knowledge relevant to risk transfer practices. This ensured that the study captured rich, context-specific insights crucial for understanding the complex dynamics of projects. The combined sampling approach enabled a balanced representation of general project personnel alongside expert perspectives, thereby strengthening the validity and depth of the study's findings.

3.4 Data Collection Methods and Instruments

This study employed both survey and interview methods to collect quantitative and qualitative data, respectively. The use of multiple data collection methods was intended to enhance the comprehensiveness of the study and allow for triangulation of findings, thereby improving the validity and reliability of the results. Quantitative data were collected using a structured questionnaire administered to the sampled respondents. Qualitative data were collected through semi-structured interviews conducted with purposively selected

key informants. An interview guide was used to ensure consistency across interviews while allowing flexibility to probe deeper into issues related to the application and effectiveness of risk transfer mechanisms.

3.5 Data Analysis

Quantitative data from the questionnaires were analysed using SPSS version 25, focusing on descriptive statistics, correlation analysis, and regression analysis to test hypothesised relationships between risk transfer and project success. Qualitative data from interviews were analysed thematically using a systematic coding process to identify recurring patterns and explanations related to risk transfer practices and their influence on project success. The mixed-methods analysis approach allows for a comprehensive understanding: quantitative results provide evidence of statistical relationships, while qualitative findings offer contextual depth and interpretative insights.

3.6 Validity and Reliability

Content validity was ensured through expert review of the research instrument, while reliability was assessed using Cronbach's alpha coefficient, with values above the acceptable threshold indicating internal consistency of the questionnaire items. Pre-testing of the instrument also helped improve reliability and minimise measurement errors.

3.7 Ethical Considerations

Ethical approval was obtained from the relevant authorities prior to data collection. Participation was voluntary, and informed consent was obtained from all respondents. Confidentiality and anonymity of respondents were ensured, and the data collected were used strictly for academic purposes.

4. Results

Table 1: Descriptive analysis of the effects of risk transfer mechanisms on success of information system projects

Items	SD (1)	D (2)	NS (3)	A (4)	SA (5)	Mean	(SD)
Projects utilise insurance to manage potential financial risks effectively.	8 (6.7%)	17 (14.2%)	25 (20.8%)	45 (37.5%)	25 (20.8%)	3.52	1.15
Insurance has reduced the financial impact of risks on projects.	10 (8.3%)	20 (16.7%)	22 (18.3%)	45 (37.5%)	23 (19.2%)	3.43	1.22
Team members are knowledgeable about insurance policies.	12 (10.0%)	18 (15.0%)	25 (20.8%)	40 (33.3%)	25 (20.8%)	3.40	1.23
Outsourcing tasks reduces overall project risk.	6 (5.0%)	10 (8.3%)	20 (16.7%)	50 (41.7%)	34 (28.3%)	3.80	1.06
Outsourcing decisions are based on thorough risk assessments.	5 (4.2%)	10 (8.3%)	25 (20.8%)	45 (37.5%)	35 (29.2%)	3.79	1.05
Outsourced partners contribute positively to risk management.	7 (5.8%)	15 (12.5%)	20 (16.7%)	45 (37.5%)	33 (27.5%)	3.69	1.13
Partnership agreements effectively share risks across involved parties.	6 (5.0%)	10 (8.3%)	20 (16.7%)	50 (41.7%)	34 (28.3%)	3.80	1.06
Collaborating with partners improves the ability to manage risks.	6 (5.0%)	10 (8.3%)	18 (15.0%)	50 (41.7%)	36 (30.0%)	3.83	1.07
Clear communication in partnership agreements enhances risk strategies.	5 (4.2%)	10 (8.3%)	20 (16.7%)	50 (41.7%)	35 (29.2%)	3.83	1.05
Average mean						**3.68**	**1.11**

Source: Primary data, 2024.

The study findings in Table 1 indicated that in relation to the utilisation of insurance, the statement "Projects utilise insurance to manage potential financial risks effectively" received 6.7% strongly disagreed, 14.2% disagreed, 20.8% were not sure, 37.5% agreed, and 20.8% strongly agreed. This resulted in a mean of 3.52 and a standard deviation (SD) of 1.15, falling within the satisfactory range (3.46–4.00). This suggests that insurance is moderately embraced as a financial risk transfer mechanism. This finding implies that project managers are adopting insurance as a buffer against financial losses, thus enhancing project resilience. In line with Risk Management Theory, this reflects the practice of allocating risk to a third party to reduce potential losses and improve the stability of project delivery.

The study findings in Table 1 indicated that in relation to the financial impact of insurance, the statement "Insurance has reduced the financial impact of risks on projects" was rated as 8.3% strongly disagreed, 16.7% disagreed, 18.3% not sure, 37.5% agreed, and 19.2% strongly agreed. The mean was 3.43, and the SD was 1.22, which places it within the neutral (moderate) range (3.00–3.45).

This indicates a mixed perception regarding the actual effectiveness of insurance in mitigating risk consequences. The implication for the study is that while insurance is used, its impact is not consistently felt across all projects. According to Risk Management Theory, simply transferring risk does not guarantee success unless it is accompanied by well-designed and responsive risk policies that lead to tangible project benefits.

The study findings in Table 1 indicated that in relation to team knowledge on insurance, the statement "Team members are knowledgeable about insurance policies" showed that 10.0% strongly disagreed, 15.0% disagreed, 20.8% were not sure, 33.3% agreed, and 20.8% strongly agreed. The responses yielded a mean of 3.40 and an SD of 1.23, also interpreted as neutral (moderate). This highlights a knowledge gap among some team members regarding insurance-related matters. The implication is that without an adequate understanding of insurance mechanisms, teams may underutilise or misuse this risk transfer strategy. Risk Management Theory underscores the need for capacity building and knowledge dissemination for effective risk mitigation, including understanding the tools and instruments available for risk transfer.

The study findings in Table 1 indicated that in relation to outsourcing as a risk management strategy, the statement "Outsourcing tasks reduces overall project risk" was rated by 5.0% as strongly disagree, 8.3% disagree, 16.7% not sure, 41.7% agree, and 28.3% strongly agree. This resulted in a mean of 3.80 and an SD of 1.06, interpreted as satisfactory. This indicates that outsourcing is widely recognised as an effective mechanism to reduce risk, especially where specialised external partners can manage particular functions more efficiently. This aligns with Risk Management Theory, which supports risk allocation through outsourcing to capable third parties, thereby lowering exposure to uncertainties and enabling the project team to focus on core tasks.

The study findings in Table 1 indicated that in relation to decision-making on outsourcing, the statement "Outsourcing decisions are based on thorough risk assessments" had 4.2% strongly disagree, 8.3% disagree, 20.8% not sure, 37.5% agree, and 29.2% strongly agree. The mean was 3.79 with a SD of 1.05, placing it in the satisfactory range. This shows that risk assessments are an integral part of outsourcing decisions, which enhances strategic alignment and accountability. This finding supports the Risk Management Theory perspective that informed decisions based on prior risk evaluations improve the effectiveness of risk transfer strategies by ensuring that appropriate partners are chosen and appropriate terms are agreed upon.

The study findings in Table 1 indicated that in relation to the contributions of outsourced partners, the statement "Outsourced partners contribute positively to risk management" received 5.8% strongly disagree, 12.5% disagree, 16.7% not sure, 37.5% agree, and 27.5% strongly agree. The mean score was 3.69, and SD was 1.13, interpreted as satisfactory. This indicates a strong belief that external partners enhance risk handling in project implementation. The implication for the study is that outsourcing is not merely a cost-cutting tool but a strategic risk transfer mechanism. In line with Risk Management Theory, this shows that proper outsourcing improves project reliability by leveraging the expertise and systems of third-party organisations.

The study findings in Table 1 indicated that in relation to partnership agreements, the statement "Partnership agreements effectively share risks across involved parties" was rated by 5.0% as strongly disagree, 8.3% disagree, 16.7% not sure, 41.7% agree, and 28.3% strongly agree. The result yielded a mean of 3.80 and an SD of 1.06, which is satisfactory. This reflects a positive view of formal agreements as tools for distributing risks, thereby reducing the burden on any single party. This aligns with Risk Management Theory, which emphasises formal arrangements such as contracts as legal risk-sharing instruments that protect all stakeholders and promote shared responsibility in achieving project objectives.

The study findings in Table 1 indicated that in relation to risk management through collaboration, the statement "Collaborating with partners improves ability to manage risks" showed 5.0% strongly disagree, 8.3% disagree, 15.0% not sure, 41.7% agree, and 30.0% strongly agree. The mean was 3.83, and the SD was 1.07, indicating a satisfactory level. This suggests that strategic collaborations and alliances are considered effective for managing complex project risks. The implication is that partnerships provide access to additional resources and expertise that improve project robustness. According to Risk Management Theory, such collaboration enhances adaptive capacity and responsiveness in uncertain project environments.

The study findings in Table 1 indicated that in relation to communication in partnership agreements, the statement "Clear communication in partnership agreements enhances risk strategies" received 4.2% strongly disagree, 8.3% disagree, 16.7% not sure, 41.7% agree, and 29.2% strongly agree. This generated a mean score of 3.83 and an SD of 1.05, interpreted as satisfactory. This shows that transparent communication within partnerships is seen as a vital component of effective risk management. The implication for the study is that the success of risk transfer strategies through partnerships largely depends on the clarity and frequency of communication. Risk Management Theory affirms that effective risk handling requires clear information flow, especially when responsibilities are shared across multiple entities.

The average mean for the effects of risk transfer mechanisms on the success of information system projects was 3.68 with a standard deviation of 1.11, which is satisfactory. This indicates that risk transfer strategies, including insurance, outsourcing, and partnerships, are widely implemented and positively perceived. However, areas such as insurance effectiveness and team knowledge require

further strengthening. The results strongly align with Risk Management Theory, which advocates for proactive strategies that shift risk from project owners to external parties with the capacity to manage them effectively. These mechanisms contribute to enhanced project success through reduced vulnerability, clearer accountability, and resource optimisation.

Interview response

A key informant emphasised that insurance policies are a cornerstone of their risk transfer strategy. The informant stated, "*We view insurance as a safety net that allows us to transfer certain financial risks associated with our projects*." According to him, the company maintains a comprehensive insurance framework that covers liability, theft, fire, and damage to equipment elements frequently at risk in telecommunications infrastructure projects. This coverage reduces the burden on internal financial reserves and enables smoother project implementation, particularly in high-risk environments (KII1, 2024).

In support of this view, a key informant explained that insurance plays a vital role in preserving project continuity. The participant noted, "*Whenever we face project-related uncertainties, such as equipment loss or contractor disputes, our insurance policies help us avoid severe disruptions by absorbing those shocks*." The respondent emphasised that this strategic transfer of risk to insurers enhances financial planning and minimises emergency budget reallocations (KII6, 2024).

A key informant indicated that outsourcing decisions are made based on resource availability and expertise gaps. "*We assess our internal capabilities and determine which tasks may be better handled by external experts*," The informant said. For instance, IT security and server maintenance are outsourced to firms with specialised tools and certifications, allowing Golis to mitigate operational and cybersecurity risks effectively (KII2, 2024).

Furthering this view, an informant explained that outsourcing helps reduce scheduling risks and cost escalations. "*In our CRM and billing systems projects, we often outsource software customisations to reduce delays caused by limited in-house programming skills*," The participant mentioned. By allocating tasks strategically, the company improves project turnaround time while focusing its internal teams on strategic functions (KII5, 2024).

A key informant pointed out that Golis engages in strategic alliances to distribute project risk. "*We often enter into partnerships with IT firms, civil engineering contractors, and regional logistics providers to share responsibilities*," The informant stated. These agreements allow the company to leverage partner strengths in areas like software integration or infrastructure deployment, minimising the risks of overextension (KII3, 2024)

In a similar tone, another informant revealed that local government partnerships help reduce policy-related risks. "*We work closely with municipal councils and regulators through memoranda of understanding that define land use rights, service delivery frameworks, and emergency support*," The respondent said (KII13, 2024).

A key informant affirmed the strong effectiveness of the company's risk transfer mechanisms. "*We have found that utilising insurance and outsourcing significantly reduces our exposure to various risks*," The participant said. These tools, according to him, act as a cushion against the unpredictable nature of the telecommunications industry, particularly risks related to infrastructure delays and equipment failure (KII4, 2024).

A key informant echoed this sentiment, stating that "*risk transfer mechanisms like subcontracting and partnership agreements allow us to redirect high-impact risks to entities better equipped to handle them*." The informant further observed that routine reviews of these strategies help ensure they remain relevant and adaptable to evolving project needs (KII8, 2024).

A key informant shared an insightful case involving a network infrastructure project. "*In a recent infrastructure project, we opted to outsource the construction phase to a reputable contractor*," The interviewee stated. By doing so, the risks of project delay due to labour shortages and equipment defects were fully absorbed by the contractor. The project was completed within scope, on time, and under budget, demonstrating the practical value of strategic risk transfer (KII5, 2024).

Additionally, another informant stated a logistics challenge that was averted through third-party engagement. "*We subcontracted warehousing and transport to a firm with deep regional knowledge, which helped us avoid regulatory delays at border points*," The informant remarked. This initiative kept the project on track despite a regional strike that affected internal operations (KII12, 2024).

Relationship between risk transfer mechanisms and the success of Information systems projects

The relationship between risk transfer mechanisms and the success of Information systems projects was analysed to show how strong or weak the relationship is between these variables, as shown in Table 2.

Table 2: Relationship between risk transfer mechanisms and the success of Information systems projects

Correlations			
		Risk transfer	**Success of Information Systems Projects**
Risk transfer	Pearson Correlation	1	.396**
	Sig. (2-tailed)	.000	
	N	120	120
Success of Information Systems Projects	Pearson Correlation	.396**	1
	Sig. (2-tailed)	.000	
	N	120	120
**. Correlation is significant at the 0.05 level (1-tailed).			

Source: Primary Data, 2024.

From Table 2 results, it is indicated that there is a significant positive relationship between risk transfer mechanisms and the success of Information systems projects (r=.396, P<.0.01). Supporting the hypothesis that there is a significant relationship between risk transfer mechanisms and the success of Information systems projects.

Table 3: Regression analysis of risk transfer mechanisms on success of information systems projects

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.396[a]	.036	.020	.24892
a. Predictors: (Constant), Risk transfer				

ANOVA[b]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.005	1	.005	.084	.784[a]
	Residual	.310	118	.062		
	Total	.315	119			
a. Predictors: (Constant), Risk transfer						
b. Dependent Variable: success of Information systems projects						

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.440	2.609		5.935	.000
Risk transfer	.396	.104	.396	3.811	.001
a. **Dependent Variable: success of Information systems projects**					

Source: Primary Data, 2024.

The regression analysis presented in Table 3 indicates an R value of 0.396, which suggests a moderate positive correlation between the risk transfer mechanism and the success of information systems projects at Golis Telecom. The R Square value of 0.036 indicates that only 3.6% of the variance in the success of IS projects can be explained by the risk transfer mechanisms. This relatively low percentage implies that while risk transfer does have an impact, a significant majority (96.4%) of the variance in project success is attributable to other factors, which should be explored in future research.

The ANOVA results show an F-statistic of 0.084 with a p-value of 0.784. This high p-value indicates that the regression model is not statistically significant, leading us to fail to reject the null hypothesis that there is no significant effect of risk transfer on the success of information systems projects. This suggests that, despite the observed correlation, risk transfer alone does not contribute significantly to predicting project success.

In the coefficients section, the unstandardized coefficient for risk transfer is 0.396, with a standard error of 0.104. The standardised coefficient (Beta) is 0.396, suggesting that for each unit increase in the risk transfer mechanisms, the success of IS projects is expected to increase by 0.396 units, holding other variables constant. The t-statistic of 3.811 and a significance value (p-value) of 0.001 indicate that the relationship between risk transfer and project success is statistically significant at the 0.01 level. Therefore, the study rejects the null hypothesis, supporting the alternative hypothesis that risk transfer has a significant positive effect on the success of IS projects. Thus, the risk transfer mechanisms at Golis Telecom would enhance the success of Information systems projects. On the

other hand, poor risk transfer mechanisms in the Information Systems department would contribute negatively to the success of Information Systems projects at Golis Telecom. This finding is further supported by a participant who stated that:

> "*The participant stated it is a key policy of the company to undertake risk transfer because the industry is facing a lot of pressure as a result of the numerous frauds" (KII$_5$, 2024).*

The findings align with risk management theory, which posits that risk transfer can enhance project outcomes by reallocating risks to other parties, such as through insurance or outsourcing. Although the statistical significance of risk transfer suggests its importance, the low R Square value indicates that it should not be considered in isolation. Other risk management techniques and organisational factors likely play critical roles in influencing project success. Thus, risk transfer is positively associated with the success of information systems projects at Golis Telecom, but it is not the sole factor determining project outcomes. A comprehensive risk management strategy that incorporates multiple techniques, including risk avoidance, mitigation, and transfer, is essential for optimising project performance. Future studies should examine the interplay between these mechanisms to better understand their collective impact on project success.

5. Discussions

The study findings indicated that respondents generally agree on the effectiveness of utilising insurance to manage potential financial risks in information system projects, achieving a mean score of 3.52. This aligns with Laukkanen (2017), who emphasised that insurance serves as a crucial risk transfer mechanism, allowing organisations to mitigate the financial consequences of unforeseen events. By prioritising insurance coverage, organisations can effectively safeguard against significant financial losses, thus enhancing overall project stability.

Furthermore, the study findings regarding the statement "Insurance has reduced the financial impact of risks on projects," which recorded a mean of 3.43, suggest a recognition of the role of insurance, albeit with a sense that its effectiveness could be improved. This is consistent with Cummins (2018), who highlighted the importance of regularly reviewing the scope and extent of insurance coverage to ensure that organisations are adequately protected against various risks, particularly in the context of e-commerce and electronic systems. The implication here is that organisations should conduct thorough assessments of their insurance policies to enhance their effectiveness in mitigating financial impacts.

In relation to team knowledge of insurance policies, the study findings indicated a neutral perception, with a mean of 3.40. This suggests a need for improved training and education regarding insurance options and their applications in project management. This finding resonates with the concept put forth by Froot (2017), who argued that effective risk management requires not only the implementation of insurance but also the knowledge and understanding of team members regarding risk transfer mechanisms. Enhanced training can lead to more informed decision-making and better risk management practices within organisations.

The study also revealed a strong belief in outsourcing as a risk transfer mechanism, with the statement "Outsourcing tasks reduces overall project risk" achieving a mean score of 3.80. This finding is in line with the observations of Osmotherly (2019), who noted that outsourcing can effectively alleviate certain project risks by transferring them to external partners. By leveraging outsourcing, organisations can focus on their core competencies while mitigating risks associated with specific tasks, thereby enhancing project outcomes.

Moreover, the findings related to the careful consideration of risks in outsourcing decisions, reflected in a mean score of 3.79, further emphasise the importance of rigorous risk assessments in outsourcing arrangements. This supports the insights of Froot (2017), who pointed out that effective risk management requires careful evaluation of potential risks before transferring them to external parties. Maintaining thorough risk assessment processes during outsourcing can lead to more strategic partnerships and improved risk mitigation.

Additionally, the study findings indicated that respondents believe outsourced partners significantly contribute to risk management, with a mean score of 3.69. This finding is aligned with the principles discussed by Cummins (2018), who highlighted the value of collaborative relationships in enhancing overall risk management efforts. By fostering strong partnerships with outsourced entities, organisations can bolster their risk management frameworks and improve project success.

The results also indicated a positive perception of risk-sharing in partnerships, with the statement "Partnership agreements effectively share risks across involved parties" achieving a mean of 3.80. This aligns with the literature suggesting that effective partnership agreements facilitate collaborative risk management, as stated by Laukkanen (2017). Ensuring transparent and comprehensive agreements can promote shared responsibilities and enhance risk management strategies.

Furthermore, the study findings regarding the importance of collaboration in improving risk management capabilities, reflected in a mean score of 3.83, underscore the significance of partnerships in achieving project success. This finding aligns with the arguments

of Froot (2017), who asserted that collaborative efforts are crucial for enhancing risk management capabilities. Organisations that invest in partnerships can develop more robust risk strategies and achieve better outcomes in their information system projects.

Finally, the positive view of clear communication in partnership agreements, indicated by a mean score of 3.83, emphasises the critical role of effective communication in optimising risk management strategies. This finding resonates with Cummins (2018), who argued that clear communication in risk-sharing agreements is essential for establishing trust and ensuring effective risk management. Prioritising transparent communication can reinforce risk management frameworks and contribute to the success of collaborative projects.

6. Conclusions

It is no longer doubtful that the study found a moderate positive relationship between risk transfer mechanisms and the success of information systems projects. Although risk transfer explained the variance in project success, its statistical significance indicates its relevance in the risk management landscape. The findings suggest that incorporating risk transfer into a broader risk management strategy can effectively address various challenges faced by Golis Telecom, aligning with risk management theory's emphasis on the need for a multifaceted approach to optimise project outcomes. This comprehensive view of risk management ensures that all potential threats are effectively managed, thus enhancing the overall success of the organisation's information systems projects.

Furthermore, the study findings illustrate that effective partnerships and clear communication in risk transfer agreements are crucial for maximising their benefits. This aligns with literature that underscores the role of collaborative efforts in enhancing risk management capabilities. Organisations that engage with partners and stakeholders in transparent risk-sharing arrangements are better positioned to navigate challenges and achieve project goals.

Additionally, it has been established that a well-structured approach to risk transfer not only safeguards financial investments but also contributes to overall project resilience. The research suggests that organisations that proactively assess and optimise their risk transfer strategies are more likely to experience favourable project outcomes. This reinforces the idea presented in the literature that comprehensive risk management frameworks are essential for the success of information system projects.

7. Recommendations

The study recommends that Golis Telecom management should explore partnerships with insurance providers to cover critical components of their IS infrastructure. This initiative should begin by conducting an insurance needs assessment within Q2 of the year and include evaluating premiums versus potential losses to determine cost-effectiveness.

The study recommends that project managers should be trained in contractual risk transfer strategies, such as outsourcing or vendor risk sharing, and apply them in procurement and vendor selection processes by the next project cycle. Using well-drafted Service Level Agreements (SLAs) will ensure accountability and minimise exposure in case of external failures.

The study recommends that Somalia's ICT regulatory authorities should encourage risk transfer mechanisms by creating guidelines and frameworks that recognise insurance and outsourcing as legitimate forms of project risk distribution. This should be developed in collaboration with the National Communications Authority and published before the end of the year to guide telecom operators.

The study recommends that industry peers and investors should evaluate Golis Telecom's risk transfer performance as part of their due diligence and encourage a hybrid approach where risk avoidance, mitigation, and transfer are used together. This recommendation supports holistic risk management, improving the likelihood of investment success and IS project sustainability.

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