

Chapter 8

Risk Management Effect on Product Development: Mediating Role of Regulatory Barriers in the Horn of Africa

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ABSTRACT

This chapter examines the moderating influence of regulatory barriers on the relationship among risk management and new product development in the Eastern Africa. Conducting a investigation on a sample of 390 participants, exploratory factor analysis (EFA) check data suitability according to Kaiser-Meyer-Olkin(KMO) measure of sampling adequacy. Second, Confirmatory factor analysis (CFA) is used to assess the overall accuracy of measurement model in defining the constructs. Based on the data obtained, structural equation modeling using AMOS software is

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used to analyze the relations among risk management styles on the one hand, and regulatory barriers and product development outcomes on the other. This paper's evidence manifests that the kind influence of risk management strengthens product development capacities; nevertheless, this is moderated by several regulatory constraints. Much as there are advantages such as augmented marketplace access, regulation poses assortment of quandaries that slows down innovation and new products launch therefore governments need to master challenges.

INTRODUCTION

The importance of carrying out risk management in the development of products has received international consideration, especially given evolving contexts of business operations (Lv *et al.*, 2022). Working in organizations that are as much focused on introducing new products and services into the marketplace, risk management is one of the keys to maintaining the edge (Okoye *et al.*, 2024). This chapter goes further into the complexities of how risk management interfaces with product development with paying special attention to Eastern Africa which contains different regulatory ecosystem and economic prerequisites (Sivagourounadin *et al.*, 2021). Risk management can be distinct as the oldest of the financial theories though it has acquired a number of dimensions with the passage of time over many industries such as operation, strategic, and even regulatory risks (Okoye *et al.*, 2024).

A review of theoretical literature revealed that sound risk management styles are associated with successful outcomes in product development (Lv *et al.*, 2022). Portfolio investigation indicates that organizations that understand and manage risks are more capable in creating innovation and meeting marketplace opportunities (Entine *et al.*, 2021). But this has been approached with practical difficulties remaining present in many areas especially the eastern Africa where major challenges inhibit the development process including legal constraints. Such hurdles are in the form of; Regulation issues Bar; Reasonable legal barriers; Influence bureaucracy; All these act as barriers to innovation and can slow down the market place rate of products. Also, there is still limited understanding

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