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Impact of Online Employee Training on Operational Risk Management

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Background to Study

With the continuous evolution of information and communication technology (ICT) systems, on-going product innovation, increasing geographical coverage of markets and the widening of distribution, delivery and supply chain channels brought about by the advent of globalisation (Barbu et al., 2008), operational activities within business organisations are becoming more complex, especially the day to day activities. This complexity of operations has brought about increased levels of associated risks and thus the necessity of managing these risks.

Also, the term operational risk management has in recent years gained attention in business circles and among academic scholars alike due to several major operational risk-related incidents in the last decade leading to the failures of several blue-chip organisations and even countries. This has led to an increased demand in the commitment levels of business organisations as well as individuals to the management of operational activities. Typical examples of such operational risk related incidents includes collapse of Barings Bank in 1995; Enron in 2001; Parmalat in 2003 (Leautier, 2007); the Madoff scandal in the United States; the 2008 global recession and the case of miss sold Personal Protection Insurance (PPI) by top UK financial organisations to their customers, and even the March 2011 Fukushima Nuclear Reactor meltdown as a result of the natural occurrence of tsunami in Japan.

Furthermore, evidence collated from the whistleblower hotlines managed by “The Network Incorporated” (a United States based group that provides compliance services to some world renowned business organisations) shows that there has been a significant increase in the number of tip-offs related to organisational failures and frauds associated with human influences received since 2006. The values as seen in table 1 show a 10.8% increase just between Q3 of 2008 and Q1 of 2009, which is approximately an 88.9% increase when compared to that in Q1 of 2006.
Impact of Online Employee Training on Operational Risk Management

Table 1

<table>
<thead>
<tr>
<th>Year</th>
<th>First Quarter (Q1)</th>
<th>Third Quarter (Q3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 2006</td>
<td>10.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Year 2007</td>
<td>14.3</td>
<td>13.3</td>
</tr>
<tr>
<td>Year 2008</td>
<td>16.6</td>
<td>18.6</td>
</tr>
<tr>
<td>Year 2009</td>
<td>20.2</td>
<td>20.2</td>
</tr>
<tr>
<td>Year 2010</td>
<td>20.2</td>
<td>18.8</td>
</tr>
</tbody>
</table>

Source: 2010 Corporate Governance and Compliance Hotline Benchmarking Report

And although it dipped to 18.8% in Q3 of 2010, it is still a significant increase in the last 5 years. These frauds were actually perpetrated by individuals within these establishments and they could probably have been averted if proper operational risk management and control measures had been in place within the organisations concerned. The failure to do this, eventually lead to the inevitable crash of these companies who prior to their failure did not show any signs of collapse or weakness. Thus, it is crucial to ensure measures are taken to curtail the possibility of similar episodes reoccurring in the future.

Statement of Research Problem

According to Lewis (2004), Operational risk is defined as the uncertainty associated with errors in human and/or technical activities. It is also said to be specifically associated with a number of causal factors which includes failure or breakdown of internal processes and corporate governance within organisations (Basel Committee on Banking Supervision, 1998). These breakdowns can result into huge losses such as financial frauds, information technology systems breakdown and high levels of employee skill incompetence.

As a result of the risks associated with operational processes several frameworks have been suggested by academics and experts alike in the field to mitigate the occurrence of these risks within business organisations. This has led to the evolution of the concept of operational risk management, often interchangeably referred to as operational risk control. It is therefore,
simply put, the practices employed or put in place by organisations to reduce plausible operational risks associated with every day operational activities.

Critical analysis of such risk associated incidents recognises the shared element of human influence or involvement (Abkowitz, 2008). Thus the contribution of individuals to operational risk cannot be overemphasized.

Thus, the debate arising is how similar occurrences of employee influenced operational risk in an organisation can be prevented in the future. This debate therefore leads us to the question of how to effectively control and positively channel the energies of employees within an organisation, to help mitigate rather than increase the occurrence of operational risk.

However, despite many academic writings on operational risks and its management, the actual impact of employee training as an offshoot Human Resource Management (HRM) practice tool for reducing this particular type of risk has not been fully explored. This study focuses on the human contributory factors influencing operational risk management especially within the global financial sector, it critically analyses the response of the sample employees to training; whether or not those that take part in online training actually apply what they have learnt to their daily business activities; and whether this has any significant effect in controlling and managing operational risks within the specified organisation.

**Research Objectives**

Based on the purpose and focus of the research, the following objectives and questions where formulated to reflect the response of the sampled employees within Bank Q (the case study organisation) to the study topic:

1. To determine response of Bank Q employees to online training as a tool for operational risk management within the organisation.
2. To determine the extent to which the knowledge acquired by Bank Q employees from on the job online training is being applied on the job.
3. To analyse whether the identified measuring metrics and techniques employed by Bank Q in ensuring benefits of online training programmes undertaken by employees as a tool for operational risk management is being optimised.
Research Questions

1. How do employees perceive the efficacy of online training programmes within Bank Q?
2. Does employees significantly transfer knowledge acquired from online training to their job roles within Bank Q?
3. Does online training improve efforts to mitigate operational risks within Bank Q?

Human Resource Management, Employee Training and Online Training

HRM practices over the years have been discovered to improve the overall level of organisational performance. Becker and Huselid (2006) recognised that the study of strategic human resource management (SHRM) both as an essential element of management practice and from an academic perspective has gained considerable attention in the past 20 years.

The theoretical rationale for this is based on the Resource Based View (RBV) of the firm postulated by Barney in 1998. This view is based on the fact that business organisations can improve their performance and sustainably compete in the global economy by developing their strategic resources to gain a sustainable competitive advantage (Barney, 2001; Harvey and Denton, 1999; Power and Waddell, 2004; Senge, 1990; Wright, et.al, 2001; Wright and McMahan, 1992).

This view argues that HRM practices help with the development of specific knowledge which is ingrained in the firm’s culture and thus, its employees giving them a sustainable competitive advantage (Lado and Wilson, 1994). Similarly, it is proposed that HRM practices help to develop individual knowledge and skills, as well as employee attitudes and behaviours. When these improvements are predominant in an employee population, then it will be robust enough to influence organisational performance (Bowen and Ostroff, 2000, 2004; Kozlowski and Klein, 2000). This can be crucial to managing operational risk within the workplace.

Employee Online Training

Employee training (or learning as it is sometimes termed) is a typical example of such aforementioned HRM practice. As almost all employees undergo one form of training or another during their careers, it has been identified as a key HRM practice that aids and contributes to gain organisational competitive advantage (Schuler and MacMillan, 1984). Also employee training is expected to improve employee knowledge specific to the
organisation and this can then be practically applied to their day to day job roles in the workplace (Appelbaum et al. 2000; Pfeffer, 1994; Way, 2002).

Furthermore, employee training is among the most widely known HRM practice in both research literature and organisational practices (Waterson et al., 1999; Wood et al., 2004). And although some other HRM practices such as recruitment, employee remuneration and appraisal can play a role in affecting organisational performance (Birdi et al.), in this study they are viewed and weighted to be of less significance to the subject matter.

Many definitions of training exist. Noe (1999) suggests that “training refers to a planned effort by a company to facilitate employees learning of job-related competencies”. This includes the knowledge and skills that are essential for successful on the job performance. The aim of training is for employees to master this knowledge and skills emphasized in training programme and to apply them in their daily job roles. Also, Roy and Raymond (2008) viewed training as a medium for developing human resources in business establishments, to motivate employees and improve their on the job performance.

Employee training as a topic area has many facets. Typically two major types of training exist: off the job and on the job training. However for the purpose of this research, concentration will be on online training as a form of delivering on the job training to employees.

The rationale for choice of online form of training is that the continuous evolution in the field of ICT has brought about a radical transformation in the way training is being delivered to employees all levels. The medium of training delivery has shifted from the traditional classroom based training to a more interactive form using the internet and computer based approaches. A term often known as online training, E-learning or virtual learning (Pailing, 2002). Thus the emergence of online training has helped provide a solution to employee on the job training (Gregg, 2007).

It was also argued that the use of the internet would alter training responsibilities among managers, trainers and trainee alike by reducing the manual workload of both managers and trainers and also minimise the physical time demands of training as opposed to traditional classroom training thereby ensuring the effectiveness of training in the workplace (Sloman, 2002).
Online training has been defined by Roffe (2002) as training enabled and delivered using electronic technology. Johnson et al.(2009) also defined it as a training initiative that facilitates development of skills through the aid of interactive learning packages and materials via information and communication technology. Another similar definition according to Conklin and Robbins-McNeish(2007) is that online training is simply delivering training and education through web technology.

In contrast to these definitions however is the criticism that they are more focused on the technology of delivery rather than the actual learner or trainee Sloman (2002). Also the ambiguity of the term online training itself is another issue as it has been refered to in diverse forms e.g. online learning, e- learning, virtual learning etc. (Pailing, 2002). Another criticism is that training is a complicated phenomenon (Mitchell and Honore, 2007), and that online training cannot entirely replace the traditional classroom based training (Young, 2002).

Despite these differing views however, online training is now being frequently used in business organisations as a medium for enhancing and developing employee skills, gaining new and relevant knowledge to improve the individual and overall organisational performances.

Since its inception, online training has been found by many organisations to be attractive especially in the face of recent economic crisis and increasing global competition (Sloman, 2007). According to Johnson et al. (2009), organisations are spending nearly $40 billion annually on online training, an amount that has increased tremendously in recent years.

**Benefits of online training**

Online employee training has been of considerable benefit to business organisations, as it possesses some unique attributes including ease of access. This is often referred to as Just-In-Time(JIT) access used to describe its characteristic of being conveniently available whenever and wherever needed. JIT attribute offers the flexibility that learners can be trained and have access to training modules at convenient times, thus training can occur anywhere whether in the trainees’ home or workplace (Waight and Stewart, 2005).

This is contrary to the conventional classroom based training in which case training is scheduled for a stipulated time and place with all learners required to attend. Other benefit of online training includes highly interactive and learner friendly designs. It is also often argued
to be more cost effective when compared to the conventional classroom based training programmes

Methodology
The methodology employed in this research is based on the case study approach, in this instance using “Bank Q” a financial organisation. This approach helps focus and report on a specific and unique situational occurrence (White, 2007). This can then be used as a basis for comparison after which a logical inference is deduced.

Case Study Organisation
Bank Q is a global financial services provider, engaged in retail; corporate; investment banking and wealth management in more than 50 countries, with a diverse workforce of over 144,000 employees across the globe. They provide innovative products and services that are customised to meet the needs of their customers or service users and uphold their organisational culture.

The choice of the organisation stems from the fact that apart from being a world renowned organisation, it is also engaged in using online training as a major tool in the training and development of its employees. This is ultimately relevant to the subject being researched particularly in the onset of recent occurrence of risk related problems in the global economy.

A further rationale for the use of a financial establishment as the case study is the on the job experience of the researcher having worked before in the industry and taken part in various forms of online training. The researcher recognises the frequency with which operational risk incidents occur in the financial environment and also how the various employee training programmes which are frequently rolled out can be a used for solving this problem.

Sampling
Sampling and selection are procedures used to identify, choose and obtain access to relevant data or information while conducting research (Mason, 2002). The convenience sampling method is employed in this research, in which selection is based on availability of respondents.
Data Collection

Two types of data exist based on the source of collection for research purposes namely; primary and secondary data (Saunders et al, 2009). Both types of data were used of by the researcher to further validate the subject matter.

Primary Data

The researcher following the triangulation approach to research methods (that is combining more than one research method while conducting a study), employed pre-coded questionnaires and interviews as a primary source of evidence. The choice of pre-coded questionnaire in this study is mainly to simplify analysis of responses relative to the subject matter. Also due to the nature of the organisation “Bank Q”, it was important to keep the questions simple and as easily understood as possible. Since the mode of administering is via an online research engine and accessibility to respondents if they need any clarification of specific questions is very limited.

Likert’s (1932) five-point scale format is also used to measure the employees’ degree of opinions and attitudes ranging from strongly agree to strongly disagree. This is beneficial as it is easy to understand, thus, leading to consistent answers. However, questionnaires are often not exhaustive thus, the information gathered may not be totally comprehensive (White, 2007).

A total of a hundred and fifty (150) randomly selected employees across the organisation where asked to fill out electronic questionnaires. In addition to questionnaires, one-on-one interview sessions were conducted with three (3) managers in the human resource management, risk management and the global retail banking departments based within the UK using the semi-structured format. This partly uses the flexibility and quantifiable attributes of both unstructured and structured interviews to its advantage, by allowing an average flexibility in the flow of discussion (Fisher, 2004; White, 2007). The sample size of the 3 interviewees’ was based on their availability and willingness to talk as well as time span constraint of the entire research. The total sample size represents about 5% representation of the entire organisation employee population.

A further rationale for one-on-one interviews is the possibility of clarifying any misunderstanding of the interviewee if it so arises (White, 2007). This contributed to the quality of research.
Collection Procedure

Both the questionnaires and interview questions were pilot tested on few employees in the organisation and some colleagues to clarify questions asked. The identified necessary amendments were made to simplify questions to respondents. This is to ensure the reliability and validity of the questions (Saunders et al., 2009).

The questionnaires were sent out a month prior to the interview sessions being held. This was done to ensure that any new development or issues raised in the completed questionnaires are incorporated into the interview questions for clarification.

Secondary data

Secondary data sources such as organisational publications and reports were obtained from the archives of Bank Q including some statistics related to the subject matter. Also academic articles, journals, textbooks, newspapers, periodicals were consulted to form a basis of theoretical framework on the issue of employee training impact on operational risk management and control.

Measurement of Variables

To achieve the aim of the research in getting a clear perception of employees views on the impact of online training in mitigating operational risks in their specific departments within Bank Q, the Kirkpatrick (1994) four part hierarchical model of training evaluation was employed to evaluate impact of the online Learning Management System (LMS) training in Bank Q on operational risk management. This comprises of the reaction; learning; behavioural and results levels of analysis. The choice of this model is based on its simplicity and ability to fluidly explain the transitions of sample subjects’ behaviour throughout the entire training process including application stage if any.

The first section of the questionnaire, deals with the general awareness about online training. Employees were asked to indicate (with a “yes” or “no” response to five questions) whether or not they understand what online training is and if yes whether they have undergone online training in the recent past particularly using the LMS online training tool.

The second section focuses on identifying employees’ perception of the impact associated to participating in online training. Using the Likert five-point scale (ranging from strongly agree to strongly disagree) employees were asked to indicate if their knowledge is enhanced
through participation. If yes, whether the knowledge gained is applied subsequently in their daily job roles to improve performance and concurrently if this has reduced operational risks associated with their job roles. All this procedure is in tune with the Kirkpatrick (1994) hierarchical model of training evaluation.

The final section comprises of demographics including; age of respondents, gender, job position, unit within organisation and how long they have worked with Bank Q. All of which, are categorised into numerical ranges. A sample of the questionnaire is attached to the appendix.

The sequential arrangement of the sections is different from the conventional method of putting the demographics first. The rationale for this is based on arguments by scholars advocating that asking the subject matter questions first helps to raise the interest and attention of the respondent almost immediately. If asked the general personal details first, respondents can become bored and when they eventually get to the actual research questions they would have already lost interest.

Results and Analysis
Descriptive statistics was used to describe the distribution of responses from employees based on the pre-coded demographics question ranges. For example age, gender, length of stay in the organisation. Also a simple correlation analysis was conducted to determine the relationship between knowledge application and increase in job performance; knowledge application and increase in operational risk reduction; as well as between increase in performance and increase in operational risk reduction.

Summary of analysed results from 64.6% questionnaires completion rate received back and 3 interviews revealed that there exists a strong positive correlation between tested variables, suggesting that online employee training does improve operational risk management. There is also a good overall perception of online training among employees in Bank Q. It was however found that the role of the tradition classroom training cannot be completely replaced by techniques of online training, as it was argued that some knowledge cannot be effectively transferred via online training.
Findings
Following the Kirkpatrick four part hierarchical model of training evaluation, the research findings are presented and analysed based on the four step-wise levels of reaction, learning, behaviour and results in the model. This is preceded by giving an account of the general awareness level about online training among employees in Bank Q.

Table 2: Awareness about online training

<table>
<thead>
<tr>
<th>Knowledge Questions</th>
<th>Frequency of YES respondents</th>
<th>Percentage</th>
<th>Frequency of NO respondents</th>
<th>Percentage</th>
<th>Total respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge about online LMS training</td>
<td>96</td>
<td>98.97</td>
<td>1</td>
<td>1.03</td>
<td>97</td>
</tr>
<tr>
<td>Participation in online LMS training</td>
<td>96</td>
<td>98.97</td>
<td>1</td>
<td>1.03</td>
<td>97</td>
</tr>
<tr>
<td>Participation in online LMS training within the last six (6) months</td>
<td>81</td>
<td>83.51</td>
<td>16</td>
<td>16.49</td>
<td>97</td>
</tr>
<tr>
<td>Participation in other online training aside the LMS</td>
<td>97</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: Employee Survey (2011)

The above table gives a detailed account of the level of awareness demonstrated by employee respondents in Bank Q. Questions 1-4 in section 1 of the questionnaire addresses this. It is evident that over 98% of employee respondents have a good knowledge of what online LMS training is with the same percentage of individuals having participated in an online LMS Training before. However, this percentage dropped slightly to approximately 83.5% of those who have participated in online LMS training within the last six months. This is nevertheless compensated for by the maximum total of 100% participated in other online Training aside the LMS. This affirms the growing popularity of online training in the recent decade as an alternative to the traditional classroom training.

Online Training Evaluation
A total of five (5) questions were used for the purpose of online LMS training evaluation as shown in section 2 of the questionnaire. Each question addressing each categorical level of the Kirkpatrick training evaluation model will be treated independently. After which a generalisable inference is deducted from the observations. With each answer options already pre-coded using the Likert scale model, while quantifiable values were likewise assigned to each option.
Furthermore, while questions 7, 8 and 11 where positively framed questions measuring the learning, behavioural and reaction levels of the training evaluation model respectively, both questions 9 and 10 were negatively framed questions measuring the results level of the model. Thus, values ranging from 5 representing a positive attitude to a statement was assigned to the strongly agree option, values 4, 3, 2 for agree, undecided, disagree options respectively and value 1 representing a negative attitude towards a statement was assigned to the strongly disagree answer option in question numbers 7, 8 and 11. While the reverse is the case in questions 9 and 10 been negatively framed questions.

Table 3: Questions related to impact of training on operational risk management.

<table>
<thead>
<tr>
<th>Questions Related to Subject matter</th>
<th>FSA (5)</th>
<th>% V</th>
<th>FA (4)</th>
<th>% V</th>
<th>FU (3)</th>
<th>% V</th>
<th>FD (2)</th>
<th>% V</th>
<th>FSD (1)</th>
<th>% V</th>
<th>MPS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge acquisition</td>
<td>57</td>
<td>58.76</td>
<td>21</td>
<td>21.65</td>
<td>15</td>
<td>15.46</td>
<td>2</td>
<td>2.06</td>
<td>2</td>
<td>2.06</td>
<td>5</td>
<td>97</td>
</tr>
<tr>
<td>Knowledge application</td>
<td>64</td>
<td>64.98</td>
<td>19</td>
<td>19.59</td>
<td>5</td>
<td>5.15</td>
<td>6</td>
<td>6.19</td>
<td>3</td>
<td>3.09</td>
<td>5</td>
<td>97</td>
</tr>
<tr>
<td>Increase in Job Performance</td>
<td>67</td>
<td>69.07</td>
<td>13</td>
<td>13.40</td>
<td>11</td>
<td>11.34</td>
<td>4</td>
<td>4.12</td>
<td>2</td>
<td>2.06</td>
<td>5</td>
<td>97</td>
</tr>
<tr>
<td>Reduction of operational risks</td>
<td>64</td>
<td>64.98</td>
<td>14</td>
<td>14.43</td>
<td>16</td>
<td>16.49</td>
<td>3</td>
<td>3.09</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>97</td>
</tr>
<tr>
<td>Perception of online LMS</td>
<td>67</td>
<td>69.07</td>
<td>14</td>
<td>14.43</td>
<td>10</td>
<td>10.31</td>
<td>6</td>
<td>6.19</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>97</td>
</tr>
</tbody>
</table>

Source: Employee Survey (2011)

Keys

FSA = Frequency of Strongly Agree respondents

FA = Frequency of Agree respondents

FU = Frequency of Undecided respondents

FD = Frequency of Disagree respondents

FSD = Frequency of Strongly Disagree respondents

MPS = Mean of Population Sample

(*) = Assigned Values

% V = Percentage Value
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Reaction Level
From employee perception opinion sampled by question 11 in the administered questionnaire, about whether online LMS training is a good and flexible training tool, a high percentage supported the statement by either strongly agreeing or agreeing to it. These amounts to about 83.5% of the total sample population of employee respondents as seen in table 3. Thus, the overall reaction to online LMS training in the organisation was positively good. This could be attributed to the training policy followed by Bank Q, to ensure proper and quality training is continuously offered to its employees to ensure customer satisfaction.

Learning Level
Learning in this context refers to ascertaining if whether in the actual process of training new knowledge is acquired. This question is asked in question 7 of the questionnaire. Table 3 shows the results of the employee survey, with 58.76% and 21.65% strongly agreeing and agreeing to the statement respectively. Together 80.41% represents a pretty high percentage of the entire sample population. A significant number of 15 respondents too were undecided whether they actually acquire any new knowledge, with a combined number of 4 deciding against their acquiring significantly new knowledge.

Behavioural Level
A significantly high 84.57% of respondents support the statement posed in question 8 in the questionnaire as seen in table 3. This ascertained the fact that they do apply the knowledge gained via online LMS training in their day to day job activities in the workplace as stated by the question. This helps to validate the research objective of determining the extent to which the knowledge acquired by employees from online training as a tool for operational risk management in the workplace is actually being used on the job.

Results Level
The results evaluation level is focused on getting feedback about the effectiveness of online training in improving employee performance on the job and thereby reducing operational risks associated with their job roles, which is one of the research objectives of this study. This issue is addressed by questions 9 and 10 in the questionnaire. And as seen from table 3, a total of 82.47% agreed to online LMS training as been effective in improving performance on the job, while 79.41% said it has helped in reducing the potential operational risks could face in the course of their daily job activities.
Discussion

Having structurally presented the data collected from the employee questionnaire survey, the research variables were then compared with each other to ascertain the type of relationship that exists between these identified variables.

A graph of increasing knowledge application variable is plotted against increase in job performance variable as shown in chart 1 in appendix 2. It shows a positive correlation between these two variables that is as knowledge acquired from online training is being applied on the job so also job performance is increased giving a very strong correlation coefficient ($R^2$) of 0.9716. This confirms the argument by Appelbaum et al.(2000) that employee training enhances employee knowledge specific to the organisation and this knowledge is then applied to their daily job roles in the workplace.

Furthermore, chart 2 and chart 3 in appendix 2 also show a positive correlation between the plotted variables. A graph of increasing knowledge application variable is plotted against increase in operational risk reduction as seen in chart 2 and with correlation coefficient ($R^2$) value of 0.9393 it translates that both variables are strong correlates of each other.

Finally chart 3 shows a positive correlation between increase in job performance and increase in operational risk reduction on the job with a very strong correlation coefficient ($R^2$) of 0.9876. Thus as knowledge acquired via online LMS training is applied on the job increases, so also job performance is boosted as well as increase in operational risk reduction on the job.

This research notion is also supported by the total average mean value resulting from analysis of the Likert scale knowledge questions from respondents. With the value of 4.41, where 5 represents a positive attitude extreme and 1 represents the negative attitude extreme of the continuum.

It is obvious that the majority of the population have a fairly positive attitude towards the impact training has on improving on the job performance and reducing operational risk associated to employee job roles in the organisation as a whole. This result also corroborate the rationale that relevant trainings when properly planned and implemented, tend to positively motivate the interests of employees afresh and help reduce overall operational risks in the organisation (Chorafas, 2004).
Findings from Interview with Managers

Understanding Online Training

All the interviewees were asked knowledge questions relating to the study topic under research. Starting with their general understanding of what Online training is. Four specific questions directly associated with this were asked to get a clear picture of their various knowledge of what online training really is.

The first question asked was what is their general understanding of the online Learning Management System (LMS) training tool? All the three interviewees said “it is used as a tool to deploy training across the organisation”. Interviewee 3 further went on to say that “he has a good knowledge of how it is used and also its results reporting functions”. This confirms the notion that online LMS is actual a training tool used within the organisation to train its employees.

Following the first question, a second question to know whether the interviewees themselves have partaken in any training using the online LMS, to which they all signified as yes. This enhances the suitability of the interviewees as they are not only managers within the organisation alone, but having also undergone one training or the other via the online LMS. They are well positioned to discuss with on the subject matter.

Furthermore, they were all asked if they have actually deployed any training themselves via the online LMS. While two of the interviewees answered no to this, one of them said yes he has. Also they were asked to give a list of advantages and disadvantages online LMS training poses.

Online LMS training and Job Performance

Subsequently, specific questions about the relationship between the online LMS trainings and its influence on employees on the job performance were pursued. The interviewees were asked if they consider online training useful when performing their duties in the workplace. To this they all answered yes in accordance with each other. As said specifically by interviewee 1:

*Online LMS trainings have been very useful, especially in terms of security operation processes. As some new knowledge is acquired via the training and when put into use in daily job activities, it is discovered that performance on the job is improved when compared to performance prior to the trainings.*
Following this, interviewee 2 was asked how responsive employees were to the training having said he has deployed a training himself via the online LMS. He had this to say:

*Employees were highly responsive with approximately about 90% uptake as reflected in the completion rates achieved. This was however also attributed to the necessity of the training among employee in the retail banking group.*

It was also asked how effective online LMS is perceived as a tool in improving employees on the job performance. Responding to this interviewee 3 said:

*In my opinion, I will say it is very effective and can conveniently assign a value of about 70% to it. As it has positively improved the manner in which employees now perform their daily job roles in the workplace.*

Interviewee 2 with deploying usage knowledge of online LMS was asked how effectiveness and performance levels are evaluated. He responded thus:

*There are several metrics often used in measuring the effectiveness of online LMS trainings within the organisation. These includes: Deploying surveys of understanding on a particular issue “before” and “after” training; competency threshold calculated to mention but a few.*

*Online training, Job Performance and Operational Risk Management*

Finally, a last set of questions relating to the actual impact of online training on the job performance and thus operational risk management was asked. Interviewees were asked what their understanding of operational risk and its management is.

**Interviewee 2**

*Operational risks occur in every facet of life, but particularly in recent times the financial industry has suffered the most from its effects. With the breakdown of some reputable organisations who we all thought were stable and secure and showed no prior signs of cracks. Thus, most organisations are now forced to properly manage their internal operational activities to ensure the same fate as experienced by these defunct organisations does not befall them.*

Having all explained what their understanding of operational risk management is the are then told to give an overview of the effectiveness of the online LMS in reducing operational risk on the job among employees.

They all agreed that online LMS training have a positive influence in reducing operational risks associated to job roles in the workplace,

**Interviewee 2**

*In a privacy training I deployed recently via the online LMS among employees in the Retail Banking Group, out of a total 3379 survey result responses received, 92% have received some form of Privacy training over the past 12 months which was previously 60%. Also after the training 83% (previously 60% before the training) now...*
understand the concept of Data Privacy and what constitutes a Data Privacy incident, though 15% were still unclear on some aspects.

Also, 91% understand the risks around Data Privacy for their day to day job roles, 8% are unsure on some aspects, a percentage formerly at an height of 56%. In terms of knowledge application 96% are either aware of the Data Privacy requirements and take them into consideration before sharing Personal Data with others or do not share Personal Data with others within or outside Bank Q which is a significant increase when compared to the previous percentage of 47%.

A total of 75% (previously 35%) are now aware of the need to ensure Personal Data is protected and fairly confident of what need to be done to ensure Personal Data held on movable assets is protected. Though 21% were not completely confident of what need to be done to ensure Personal Data held on movable assets is protected.

From all these statistics I can confidently say online LMS training has been overly effective in reducing operational risks incidences in the workplace.

Nevertheless, there are also other activities aside training that can also positively influence operational risk management. As said by interviewee 1

Although a sizable percentage of employees still fall culprit to these risks despite the training received. Thus, online LMS is not an almighty solution to all operational risks related problems and needs to be complimented

Importance of the Study

The importance of this research is its ability to clearly establish the relationship between employee training and operational risk management. It also contributes to academic knowledge by providing an in-depth insight into the mechanisms of the online learning management system and how it works when used as a tool by a financial organisation to train their employees. It is also useful to business students, professionals and organisations alike as a pool of evidential data for referral and future research purposes.

Implications for practice

The results from the research indicated that in order for an organisation to effectively mitigate operational risk within its workplace:

- Organisations should continuously endeavour to identify potential risk loopholes within their operations, by ensuring appropriate monitoring and evaluation procedures are carried out on regular basis. This will enable them to significantly guard against any pre-foreseen risks that can inevitably lead to its collapse.
• Training programmes for employees need not be stereotypes but should be constantly reviewed and improved to cope with the rising demands of equipping employees against potential risks.

• Organisations need to cultivate a general risk management culture among their employees not only by giving situational trainings but also by including it in their basic operational principles as well as reflecting on employees’ job descriptions.

• Linking good operational risk management techniques to individuals performance rating and evaluation also can be welcomed way of improving success

• Finally it is essential to emphasize once more that online training alone it not an almighty remedy for managing operational risks within an organisation, but should be complimented with the use of other human resource management techniques such as good selection processes, regular performance evaluation procedures e.t.c. to ensure a more reliable and efficient workforce.

Conclusion
This research focused on determining the impact of online technique of training using Kirkpatrick (1994) four part hierarchical model of training evaluation to evaluate the online LMS training in Bank Q on operational risk management. A summary of results from employees sampled considered online training to be effective in improving on the job performance when new knowledge acquired is applied and consequently reduces the potential threat of operational risks occurrences.

At Kirkpatrick reaction phase results revealed that approximately 83.5% employee opinion sampled considered online LMS training is a good and flexible training tool. At the learning level, 80.41% ascertained that they do acquire new knowledge from training, while relative to the behavioural level 84.57% stated they then subsequently apply this knowledge in their on the job daily activities. Which evidently at the results level, 82.47% of the employees confirmed boosted their performance and 79.41% said it reduced potential operational risks on the job.

This result was also validated by the managers interviewed that they consider online training to be highly effective in improving on the job performance when new knowledge acquired is applied and consequently reduces the potential threat of operational risks occurrences.
However, the participating research sample suggested that online training alone is not an all-round remedy for managing operational risks within an organisation, but should be complemented with use of other HRM techniques like good selection processes, regular performance evaluation procedures.
References


Appendix 1

Questionnaire Sample

Dear Respondent,

This questionnaire is for Adetola Adekunle, a University of East London business management student carrying out a survey to determine the IMPACT OF ONLINE EMPLOYEE TRAINING ON OPERATIONAL RISK MANAGEMENT using the online learning management system (LMS) in Bank Q as a case study.

All responses will remain strictly confidential and anonymous and will not in any way be used to grade employee performances on the job. It will however contribute to knowledge by estimating the effectiveness of the online learning management system as a training tool in managing operational risk within the work place.

The questionnaire is made up of three (3) sections and instructions are given at the beginning of every section to explain how it should be completed. Thank you for taking some time off your busy schedules to fill this.

Kind Regards

SECTION 1

Kindly answer the questions by ticking in either of the boxes as the statement apply to you.

1. Do you know about the online Learning Management System (LMS) Yes ☐ No ☐

2. Have you ever undergone training using the online LMS tool? Yes ☐ No ☐

3. Have you had any training within the last six(6) months using the online LMS tool? Yes ☐ No ☐

4. Do you engage in other types of online training apart from online LMS? Yes ☐ No ☐

5. If yes, please specify.............................................................................................................................................................................

6. Would you be interested in being interviewed about your perception of the online LMS? Yes ☐ No ☐

SECTION 2

Please carefully read the statements below and decide how it relates to you by ticking one out of the corresponding boxes whether you strongly agree (SA), agree (A), undecided (U), disagree (D) and strongly disagree (SD) with it.

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>I acquire new knowledge from the training received using the online LMS tool</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>I apply the acquired knowledge gained from training received through the online LMS in my day to day activities in the work place.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Applying the knowledge gained from training using the online LMS tool has not improved my overall performance on the job.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Training received via the online LMS tool has not been helpful in reducing operational risk associated with my job role/description.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Generally, my perception about the online LMS is that it is a very good and flexible training tool.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SECTION 3

Demographics; please tick the appropriate box as it applies to you.

12. Age (in years);
   - Under 25
   - 25-30
   - 31-35
   - 36-40
   - Over 40

13. Gender; 
   - Male
   - Female

14. How long have you worked with Bank Q (in years);
   - Under 2
   - 2-5
   - Over 5

15. Position within the organisation;
   - B1-B2 (or equivalent)
   - B3-B4 (or equivalent)
   - B5-B6 (or equivalent)
   - B7 and above
16. Unit within the organisation (Please specify).................................................................

**Sample of Interview Session Questions**

**Interviewee Number:** -------

**Demographics:**

1. Age range (in years): -------
2. Gender: -------
3. Length of stay in Bank Q (in years): -------
4. Position within the organisation: -------
5. Unit within the organisation: -------

**Theme 1: Understanding Online training**

6. What is your general understanding of the online Learning Management System (LMS) training tool?
7. Have you ever undergone any training using the online LMS?
8. What are the benefits of online training?
9. What are the disadvantages of online training?

**Theme 2: Online training and Job performance**

10. If yes to question 7, do you consider the training useful when performing your duties on the job?
11. Have you deployed any training using the online LMS?
12. If yes to question 11, how responsive were employees to the training?
13. How effective do you perceive the online LMS as a tool in improving employees on the job performance

**Theme 3: Online training, Job performance and Operational risk management.**

15. What is your understanding about what operational risk and operational risk management is?
16. What is your overall view about the effectiveness of the online LMS, in reducing operational risk on the job?
17. What further recommendations on ways organisations can control operational risks can you proffer?
Appendix 2

**Chart 1**

\[ y = 1.0352x - 0.6821 \]
\[ R^2 = 0.9716 \]

- Series 1
- Linear (Series 1)

**Chart 2**

\[ y = 0.9747x + 0.4914 \]
\[ R^2 = 0.9393 \]

- Series 1
- Linear (Series 1)

**CHART 3**

\[ y = 0.9517x + 0.9377 \]
\[ R^2 = 0.9876 \]

- Series 1
- Linear (Series 1)