

Some Economic Issues concerning the Loss of the Special Status Relationship between the United States and Hong Kong

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Abstract

The demonstrations in 2019, 2020 and thereabouts for the preservation of certain civil rights in Hong Kong, led to some suppression by the Chinese National central government. As a result, some of the special trade advantages between Hong Kong and the U.S. were lost. The economics and cultural special traits helped Hong Kong thrive. Having a judicial system separate from that of Mainland China, allowed for a more commerce producing judiciary. A key requirement for Hong Kong to be treated differently than Mainland China was for Hong Kong to have some independent autonomy, sufficient for the U.S. to see Hong Kong as a separate area politically from Mainland China. In July 2020, the U.S. made the formal decision to take away Hong Kong's special status, because a sufficiently independent Hong Kong no longer exists. This article examines the history of this phenomena and the results of having that special trade policy changed. Data from recent years show how the economy with Hong Kong and trade with Hong Kong has changed. Unfortunately, some cultural ties and exchanges between the United States and Hong Kong have also been curtailed. These changes regarding cultural ties are beyond the scope of this article. As an aside, in regard to Chinese support for the United States, Ukraine and NATO, in the war between Ukraine and Russia, this should be pointed out. China should consider supporting Ukraine, as it may be in China's best interest to take that route. The economic ties between China and the U.S. remain important. Also, supporting Ukraine over Russia is the morally correct choice, according to the United States. Of course the effects of the COVID-19 epidemic also had an economic impact on Hong Kong.

JEL Classification: F1, F2, F3, F4, F5, F6.

Keywords: Hong Kong, Special Trade Status, World Trade Organization (WTO), Hong Kong Democracy Demonstrations, Russian invasion of Ukraine 2022.

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I. Introduction

To understand how Hong Kong grew into this predicament of losing its special status for trade with the United States, one first has to understand the character of China's present day leader, Xi Jinping. In 1978, Deng Xiaoping became the leader of China. If we examine the leadership of China, starting with Deng Xiaoping, we can see three leaders who took China in a different direction in some ways compared to how Mao ruled China. Deng Xiaoping, Jiang Zemin and Hu Jintao pursued a tact of being somewhat less controlling than what Mao Zedong pursued in some ways. The arrival of Xi Jinping changed China greatly. Sadly, in 2017, Xi Jinping decided to abolish presidential term limits, signaling his plan to stay in power indefinitely. Xi has pursued heavy-handed

purges, ousting prominent party officials under the pretense of an anticorruption protests in drive. Furthermore, Xi has suppressed protests in Hong Kong, arrested many, many human rights lawyers and activists, and “imposed the tightest media censorship of the post-Mao era” (Pei, 2020).

II. Xi Jinping’s Recent Policy Steps Concerning Hong Kong

Xi Jinping wishes to make some changes. Hong Kong has already been part of China. Although Xi Jinping was to take away the one country two systems approach for Hong Kong, in recent years. Hong Kong has very little local rule now and is dominated by the national Chinese government. He already did that with Hong Kong. In the year 2020, China imposed a national security law on the Hong Kong which effectively ended its autonomy under the “one country two systems” governance model. That special model had been put in place in 1997 at the time of Hong Kong’s handoff from London to Beijing. Once the national security law was imposed on Hong Kong, “in a matter of months, Beijing undermined the city’s long standing commitment to basic human rights and the rule of law and transformed Hong Kong into just another mainland Chinese city” (Economy, 2022).

Now Xi wishes to increase his authority over Taiwan. The one country two systems has never been an approach that Taiwan agreed to. So that situation is more complicated. Increasing China’s area of sovereignty over the South China Sea is another significant goal of Xi (Economy, 2022).

David Dollar (2022) is a senior fellow in the John L. Thornton China Center at the Brookings Institution, and he has discussed the Russia invasion of Ukraine. Russia’s invasion of Ukraine started on the 24th of February in 2022. The issue of China’s possible support for Russia in this war has been an issue. Economic factors have to come into play. Xi Jin Ping has stated that NATO (North Atlantic Treaty Organization) should not support Ukraine, but he also said Russia should respect Ukrainian sovereignty. Now what about the economic factors? The dollar amounts of commerce that China engages in with both the USA, the West and Japan dwarfs China’s trade with Russia (Dollar, 2022). On the other hand, China has issues concerning geostrategic importance. “China’s relations with the U.S. are the worst they have been in 50 years” (Dollar, 2022). Furthermore, China’s relationship with the EU has also deteriorated (Dollar, 2022). The Biden administration is trying to build a coalition of democracies to counter China” (Dollar, 2022). Many Chinese leaders think that policy makers of the U.S. will never accept China’s rise. Also, Chinese leaders do not like the idea that the U.S. controls the World financial system. So, rhetorically they are opposed to Western sanctions. Chinese leaders blame NATO and the U.S. as the root cause of the Ukraine war. Some Chinese leaders see Putin as a fellow resister to the U.S.-led international order. It is simplistic to “dismiss this group as an ‘axis of authoritarians,’ but that misses the point that there is widespread sympathy in the developing world for China’s viewpoint that the United States is abusing its standing as the World financial system” (Dollar, 2022).

China is trying to walk a middle path in the Ukraine – Russia conflict. Of course the U.S. and all of NATO supports Ukraine. The U.S has placed many trade sanctions on Russia had tried to get other countries to have their commerce with Russia lessened at this time (Dollar, 2022). There are many variations of speculations about the future for the relationships between Russia, China and the U.S. (Dollar, 2022). The author of this article chooses not to speculate since doing so cannot be done with any certainty (Dollar, 2022).

The war in Ukraine can cause a major disruption in U.S.-China economic ties (Dollar, 2022). China receives from trade with Russia “oil, gas, some other minerals, and a small amount of food” (Dollar, 2022). These can be replaced by trade with other countries. Furthermore, the advanced military equipment China receives from trade with Russia probably can be replaced through trade with other nations (Dollar, 2022).

Yet what China gets from the West, on the other hand, is impossible to replace. A large part of that is “technology in different forms: advanced equipment such as aircraft, high-end semiconductors, and software, to name a few” (Dollar, 2022). In regard to this technology, China obtains these items directly and by joint production and information exchange, this is “building up China’s own technical capability to eventually produce them itself” (Dollar, 2022). The phenomenon of convergence or merging with other economies has fueled much of China’s growth over the past four decades has occurred due to China having an open economy compared to how China was before. If China were to cut itself off from the West at this middle stage of development, China will likely

“pay a heavy price in terms of slower productivity growth and hence slower increases in living standards” (Dollar, 2022). China is giving some measure of implicit support for the sanctions against Russia. The reality is that “if China has to choose between doing business with the West or with Russia, economics dictates that it should stick with the West” (Dollar, 2022).

III. More Background on Hong Kong as an International Trade Center

It cannot be overstated about what an international trade hub that Hong Kong is. The author of this present article experienced what other people. Many people have had foreign and domestic experience in Hong Kong. This experience is seeing so many “international brands on display” (Chiu et al., 2022). In regard to tariffs, Hong Kong is built upon the idea of free trade stressing government should impose little to no restrictions on different trade-related activities. “Metaphorically, ‘free trade’ can be said to be ingrained in Hong Kong’s DNA” (Chiu et al., 2022). Hong Kong serves as one of the World’s largest trading economies. It is also an international financial and commercial center (Chiu et al., 2022). The treaty that handed authority over from the U.K to China, included a the once country, two systems arrangement. This included the provision that the People’s Republic of China government had promised Hong Kong a “high degree of autonomy” for fifty years (1997-2047) (Carroll, 2007). Later in 2021, after Beijing imposed Security Law was adopted, in Hong Kong a national security law has stifled pro-democracy dissent and that could lead to imprisonment of activists (Morgan, 2021) Hong Kong failed to adopt a national security law, in the manner that the Chinese national government wanted. The Hong Kong Legislative Council failed to do that after Hong Kong was handed back from the British to China. For a while between 1997 and the clampdown by Beijing, Hong Kong had a high degree of autonomy in local affairs (Gunia, 2020a, 2020b). Table 1 presents some of the important years in Hong Kong history. The reader can note that during part of the 1800s, the U.K. increased its authority over Hong Kong. Then in 1984, the U.K. and China came to an agreement about details concerning the anticipated handover of Hong Kong back to China. In 1992, the U.S. stated it would continue treating Hong Kong as a unique place, different in many ways from Mainland China. In 1997, the actual handover took place. In 2020, due to the increased role for the Chinese national government in governing Hong Kong, the special status for Hong Kong extended by the United States came to an end.

Table 1. Just some of the key dates in Hong Kong history

Year	Major activity	Sources
1842	Treaty of Nanjing recognized Hong Kong as a British Crown Colony.	Lau (1997)
1860	Convention of Peking granted land the increased size of Hong Kong British Crown Colony	Lau (1997)
1898	Convention for the Extension of Hong Kong Territory or the Second Convention of Peking, increased Hong Kong Crown Colony to include more area, such as New Territories	Lau (1997)
1984	Sino-British Joint Declaration on the Question of Hong Kong	Carroll (2007)
1992	Hong Kong Policy Act states that U.S. would continue laws that were passed prior to 1997	Carroll (1997)
1997	Hong Kong is officially handed over from the UK to China	Carroll (1997)
2019	To recognize the Joint Declaration, the United States enacted the U.S.- Hong Kong Policy Act of 1992, which it later amended in the Hong Kong Human Rights and Democracy Act of 2021.	Gunia (2022a, 2022b) Hart (2021) (Hong Kong Human Rights and Democracy Act, 2021)
2020	Hong Kong loses much of special status in regard to how the U.S. treats Hong Kong.	Commission (2020) ; (Gunia, 2020)

Source: Table created by Paul F. Gentle.

Nina M. Hart is a Legislative Attorney in the Congressional Research Service. Hart (2021) states, “Hong Kong’s Legal Status as a Special Administrative Region From 1842 to 1997, the United Kingdom exercised sovereignty

over Hong Kong” (Hart, 2021). Then in 1984, “the Chinese and British governments negotiated the Sino-British Joint Declaration on the Question of Hong Kong (Joint Declaration), which transferred control of Hong Kong to China in 1997 while articulating certain rights for Hong Kong” (Hart, 2021). The special nature of Hong Kong existed precisely because it was not governed by the typical political nature of China (Carroll., 2007). In Hong Kong there are an estimated 85,000 American citizens living there. Furthermore, about 1,300 U.S. business firms operate in Hong Kong (Gunia, 2020a, 2020b).

An important agreement happened in 1984. The governments of China and the United Kingdom “negotiated the Sino-British Joint Declaration on the Question of Hong Kong (Joint Declaration), which transferred control of Hong Kong to China in 1997 while articulating certain rights for Hong Kong” (Hart, 2021). This “Joint Declaration” said that Hong Kong will have a great extent of autonomy, except in foreign and defense matters of state for fifty years after 1997. Also that declaration stipulated that Hong Kong will retain the status of being a free port. Hong Kong Special Administrative Region is the official name for Hong Kong. Hong Kong is permitted to retain its membership in GATT (General Agreement on Tariffs and Trade), the predecessor of WTO (World Trade Organization) (Hart, 2021).

The issues of a security law for Hong Kong has been examined over the years by both the Hong Kong SAR government and the national government of China in Beijing. In 2003, legislation for such a security law to be enacted by the SARs were blocked due to mass public demonstrations of hundreds of thousands of people on the streets of Hong Kong. Overtime, it seemed to the Chinese national government that a national security law would not be forthcoming on the part of Hong Kong SAR local government. Therefore, the Chinese national government drew up a national security law, to apply to Hong Kong SAR. The move came after Hong Kong’s Legislative Council failed in its obligations to enact such a law since the former British colony was handed back to China in 1997. Critics say, however, that the Chinese government’s bypassing of the local legislature undermines the “high degree” of autonomy promised to Hong Kong when China resumed sovereignty over the territory of 7.4 million. (Griffiths et al., 2020; Gunia, 2020a, 2020b).

In 2020, a more severe law was not only considered but actually adopted by force upon Hong Kong. The national government in Beijing did the imposing. That is National Security Law was passed by the National People’s Congress. This Chinese national government imposed law authorized police search power, without a court warrant. In order for some activity to be deemed a crime of secession neither violence nor threat of violence has to be present. The jurisdiction for applying this law is handled by the Office for Safeguarding National Security and the Supreme People’s Court. Many of the characteristics of this law would not be palatable to Americans and people from some other nations.

IV. More on the Hong Kong Security Law

The background for examining this security law is the U.S.-China Economic and Security Review Commission was established in 2000 (Commission, 2020). This Commission has viewed Hong Kong’s autonomy as a high priority and has followed recent developments closely. (Commission, 2020). On May 27, 2020, U.S. Secretary of State Michael Pompeo issued a statement which read that Pompeo “certified to Congress today that Hong Kong does not continue to warrant treatment under United States laws in the same manner as U.S. laws were applied to Hong Kong before July 1997” (Commission, 2020). This decision was made since “no reasonable person can assert today that Hong Kong maintains a high degree of autonomy from China, given facts on the ground” (Commission, 2020). There have been a variety of areas that relate to Hong Kong with special laws reserved for the Hong Kong SAR that are different from those laws in Mainland China (Commission, 2020). With the transfer of administration of Hong Kong from Great Britain to the People’s Republic of China in 1997, the Basic Law of the Hong Kong Special Administrative Region was adopted by China’s National People’s Congress. The Basic Law committed Beijing to upholding a policy of “one country, two systems.” (Commission, 2020; Hart, 2021). This exact approach was first included in the Sino-British Joint Declaration filed with the United Nations in 1984. The Basic Law promised Hong Kong a “high degree of autonomy” and preserved Hong Kong’s independent and highly regarded court system; legal, political, human rights; and commercial rules, regulations and roles, including its separate membership in the World Trade Organization” (Commission, 2020). Hong Kong’s success as a global

financial and banking center and the protection of both its citizens and the large international community in residence has to do with Hong Kong adhering to the rule of law (Commission, 2020). Consult Commission (2020), for more information on the various legal and cultural areas in Hong Kong affected by bilateral agreements treaties.

Some but certainly not all business people in Hong Kong are glad the protests are over as they think that will improve business. (Guniinia 2020a, 2020b). Importantly, officials in the U.S. have stated that they are not trying to punish Hong Kong citizens, through the policy of dropping the special status of Hong Kong. As stated earlier previously, there are an approximate 85,000 U.S. citizens living in Hong Kong and 1,300 U.S. business firms in Hong Kong. Also, there are also roughly 300 U.S. companies with regional headquarters in Hong Kong. (Gunia, 2020a, 2020b). Not surprisingly, business confidence had been shaken somewhat by the demonstrations by young Hong Kong people and their supporters who demonstrated increased power of Beijing over Hong Kong. Now with the loss of special trade status matters can get worse. Hong Kong is an international business center (Gunia, 2020a, 2020b). The imposing of a national security law on Hong Kong has to be detrimental to some matters in Hong Kong, particularly in dealing with international customers and suppliers and investors.

Hong Kong was a part of China governed under the terms of the Hong Kong Policy Act of 1992. In fields like export controls, customs and immigration, Hong Kong was treated under the 1992 Act, in a different way than how the Mainland was treated. In order for Hong Kong to have had special status continued, Hong Kong would have had to remain distinct from mainland China and now it is not (Gunia, 2020a, 2020b). According to the “one country, two systems,” framework, a political formula that has been in place since the 1997 handover, affords the city plenty of flexibility to run its own affairs, involving an independent judiciary and freedoms of assembly, the press and speech. The Hong Kong SAR has its own currency, Olympics team and seat at the World Trade Organization. (Gunia, 2020a,2020b). Jeopardizing Hong Kong’s special status is fundamental to its “role as an attractive investment destination and international financial hub,” according to the U.S. Chamber of Commerce (Gunia, 2020a,2020b). The Hong Kong Human Rights and Democracy Act, which became U. S. law in November 2019 following months of demonstrations in Hong Kong, “requires the State Department to complete an annual assessment to determine if Hong Kong remains sufficiently different from China”. In order to have retained the USA’s Hong Kong’s unique treatment under U.S. law, favorable assessments would have had to be made. Now Hong Kong no longer meets the test, due to the advent of the Chinese national government imposed Security Law (Gunia,2020a, 2020b). Hong Kong has been affected by adverse actions of the USA and that may be compounded by any retaliation from the Chinese national government (Gunia, 2020a, 2020b). Carroll (2007) states that because Hong Kong is different, and not politically part of China” on local government matters, this has made Hong Kong special. Also Gunia (2020a; 2020b) maintains that the celebrated “rule of law” trait that Hong Kong has had is a key factor in Hong Kong’s success is the rule of law. A fear among many business people, is that the national Chinese government can over ride other areas, besides national security. Some people fear that companies with operations in Hong Kong will probably leave if the situation continues to deteriorate. (Gunia, 2020a, 2020b). If Hong Kong were to lose its “independent judiciary, freedom of the press,” and other important traits, then Hong Kong will no longer be seen “as a safe harbor within China and the region for American companies to base their regional ger headquarters, have most of their capital and large staff, and base their contracts there” (Gunia, 2020a,2020b).

The business environment as a result of the security law can be seen in two ways. One way is that the security law may stifle any demonstrations in the future. Another side posits that people and capital may leave Hong Kong at a fast pace (Gunia, 2020a, 2020b). The author of this article believes that only time will tell.

As stated in 1984, “the Chinese and British governments negotiated the Sino-British Joint Declaration on the Question of Hong Kong (Joint Declaration), which transferred control of Hong Kong to China in 1997 while articulating certain rights for Hong Kong” (Hart, 2021). Some important points of that Joint Declaration state that “Hong Kong shall be designated a ‘special administrative region’ of China, as permitted by Article 31 of China’s Constitution” (Hart, 2021). For fifty more years after 1997, according to the Joint Declaration, Hong Kong is to “enjoy a high degree of autonomy, except in foreign and defence (defense) affairs” (Hart, 2021) Furthermore, the Joint Declaration states that Hong Kong “will retain the status of a free port and a separate customs territory”

(Hart, 2021). Furthermore, due to the Joint Declaration, Hong Kong is allowed to enter into international agreements and participate in international organizations under the name “Hong Kong, China” (Hart, 2021). The Hong Kong’s Basic Law was passed by the National People’s Congress of China in 1990 (Hart, 2021). Also, the Basic Law states that Hong Kong’s has a separate customs territory. The Hong Kong SAR has its own export quotas, tariff preferences, and other similar arrangements remain valid. This SAR “may issue its own certificates of origin.” According to this arrangement, Hong Kong has remained a WTO member and has negotiated a number of trade agreements. These include one with China (Hart, 2021). To recognize the Joint Declaration, the United States enacted the U.S.-Hong Kong Policy Act of 1992, which it later amended in the Hong Kong Human Rights and Democracy Act of 2019 (Hart,2021). Under this legal framework, Congress stated, among other things, the “United States should continue to fulfill its obligations to Hong Kong under international agreements, so long as Hong Kong reciprocates,” and the “United States should respect Hong Kong’s status as a separate customs territory, and as a WTO member country.” Further, it adds the United States should “grant the products of Hong Kong nondiscriminatory trade treatment by virtue of Hong Kong’s membership in the General Agreement on Tariffs and Trade” (Hart, 2021). Then-President Donald Trump on July 14, 2020, issued an executive order regarding the Hong Kong Special Administrative Region. This order stated that due to Hong Kong no longer is sufficiently autonomous to merit differential treatment from how Mainland China, a.k.a. the People’s Republic of China is treated (Hart, 2021). Trump “suspended certain sections of U.S. Law regarding Hong Kong. These include immigration, export control, and customs provisions. Importantly, on March 31, 2021, “President Joe Biden’s Administration indicated that it intends to maintain the suspension of differential treatment of Hong Kong” (Hart, 2021). There is an interesting controversy regarding goods that used to be labeled with Hong Kong as the country of origin to now being required to be labeled, where China is the country of origin (Hart, 2021). This requirement was made by the United States in regard to how the U. S. Customs Authority will treat products from Hong Kong from now on (Hart, 2021).

V. More on the WTO and Hong Kong

Since this action, Hong Kong has initiated a World Trade Organization (WTO) dispute against the United States, arguing the new marking requirements violate several WTO agreements (Hart, 2021). The United States Customs and Border Protection is often used by the acronym type abbreviation “CBP.” . The CBP is part of the Homeland Security agency and is responsible for securing the border of the United States while simultaneously facilitating the flow of legitimate trade and travel (CBP, 2022). The CBP has a notice starting in 2020, after the special status for Hong Kong was evoked. This notice requires goods produced in Hong Kong to be marked with “China” as the country of origin eliminates part of that special treatment. CBP has stated that the regulatory change relates only to how the country of origin is marked, but not to country-of-origin determinations for purposes of assessing customs duties. Thus, certain additional duties that apply to China, such as the Section 301 tariffs imposed after an investigation into China’s trade-related practices, do not apply to goods produced in Hong Kong (Hart, 2021). In October 2020, Hong Kong instigated a WTO dispute against the United States, calling for consultations and arguing the U.S. actions taken with regard to how products originating from Hong Kong are labeled, as to place. Hong Kong “retains its own membership in the WTO—separate from China—as the organization permits customs territories in addition to countries to join” (Hart, 2021). On October 30, 2020, Hong Kong requested WTO consultations with the United States with respect to the new marking requirements for goods produced in Hong Kong. The United States came to an agreement to participate. After consultations were unsuccessful in resolving the issue, on January 14, 2021, Hong Kong formally requested that a WTO panel be established to hear the dispute. In the course of the January 25, 2021, meeting of the WTO’s Dispute Settlement Body (DSB), the United States objected to the request, as permitted by Article 6.1 of the WTO’s Dispute Settlement Understanding. The DSB agreed to defer consideration of Hong Kong’s panel appeal, at least in part due to the recent change in presidential administration in the United States. Hong Kong did a second request on February 22, 2021, and the DSB agreed to establish a panel. Hong Kong’s request for a panel asserts that the new marking “requirement may violate provisions of three WTO agreements: the GATT; the Agreement on Rules of Origin; and the Agreement on Technical Barriers to Trade” (Hart, 2021). A U.S. revocation of Hong Kong’s special status would be viewed by Beijing as interfering with its sovereignty, and China has previously threatened to “take strong countermeasures” (Lowder et al., 2020). A precarious U.S.-China trade truce, already strained by Trump’s anger at China over the

coronavirus pandemic and a slow start to Beijing’s purchases under the Phase 1 trade deal between the two countries could collapse into new tariffs and counter-sanctions, he said. (Lowder et al., 2020). The United States also maintains export control offices and academic exchanges in Hong Kong separate from mainland China. How these academic and cultural exchanges are conducted in the future should be interesting.

V. Some Information from HKTCD

Economic and Trade Information on Hong Kong (HKTCD, 2022) is an important periodic publication that summarizes important economic data and observations. (The issue used for this article was published on March 30, 2022.) Hong Kong’s economy decreased by 6.5% (year-on year) in 2020; however, in 2021 increased by 6.4%. With government policies, the Hong Kong economy is forecast to increase to real GDP growth between 2% to 3.5%. Consumer prices rose by 1.6% in February 2022 over the same month a year earlier, a size larger than the corresponding increase of 1.2% in January 2022. For 2022, the government forecasts at 2% inflation rate for 2022. In nominal terms, the value of retail sales, in nominal terms, increased by 4.1% year-on-year in January 2022 over the same month a year earlier. Nevertheless, for December 2021, the value of total retail sales increased by 6.1% compared with the same period in 2020. (HKTCD, 2022). Table 1 provides a good summary of some of the key data¹⁸.

Table 2. Some key data regarding the Hong Kong SAR

	2020	2021	Latest
Population, Year-end (mn)	7.43	7.40	--
Gross Domestic Product (US\$ bn)	343.0	366.9	--
GDP Per Capita (US\$)	45,843	49,613	--
Real GDP Growth (%)	-6.5	+6.4	--
Inflation (% Change in Composite CPI)	+0.3	+1.6	1.4 ^c
Unemployment Rate (%)	5.8	--	4.5 ^d
Retail Sales Growth (%)	-24.3	8.1	4.1 ^b
Number of Visitors (thousand)	3,600	91	7.1 ^a
Visitor Arrivals Growth (%)	-93.6	-97.4	+61.7 ^b

Notes: ^a January 2022; ^b year-on-year change, January 2022; ^c year-on-year change, January - February 2022; ^d seasonally adjusted, December 2021 - February 2022; HKTCD Research (2022).

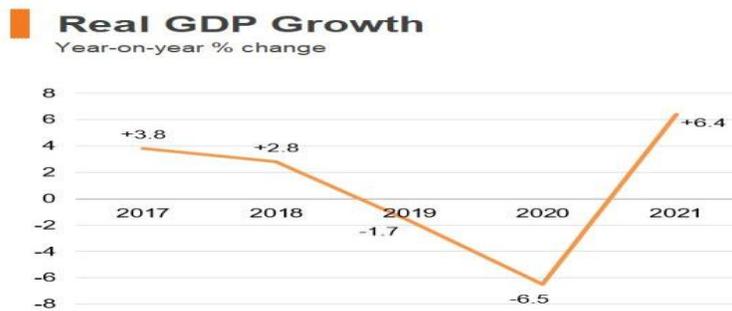


Figure 1. This figure examines real GDP growth. One can see the lowest point is for 2020. Then the economy appears to have bounced back in 2021

Source: HKTDC Research (2022).

¹⁸ For information specifically on the agriculture sector in Hong Hong and the effect of the loss of special status for Hong Kong trade, see (He et al., 2020).

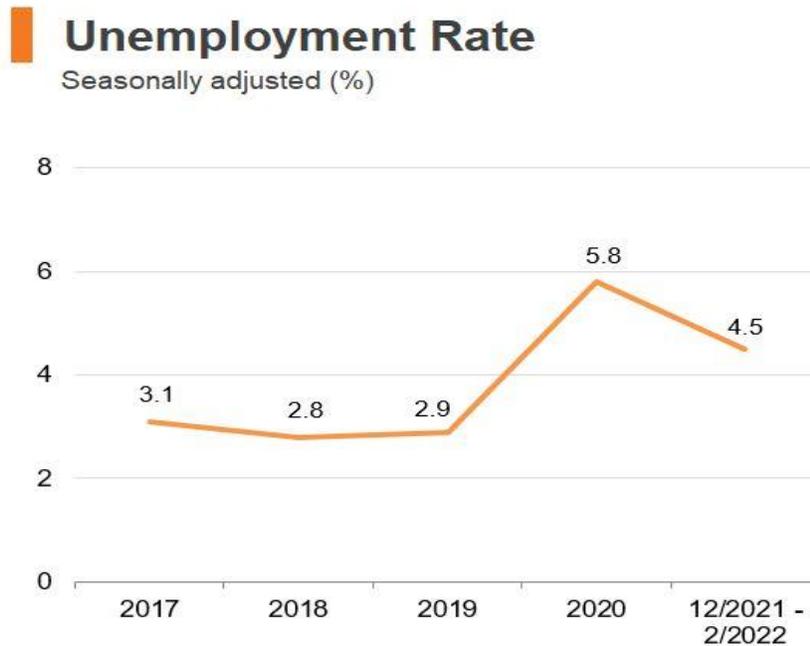


Figure 2. This figure examines the unemployment rate . This rate peaks in the year 2020. Then the economy improved and the unemployment rate improved.

Source: HKTDC Research (2022).

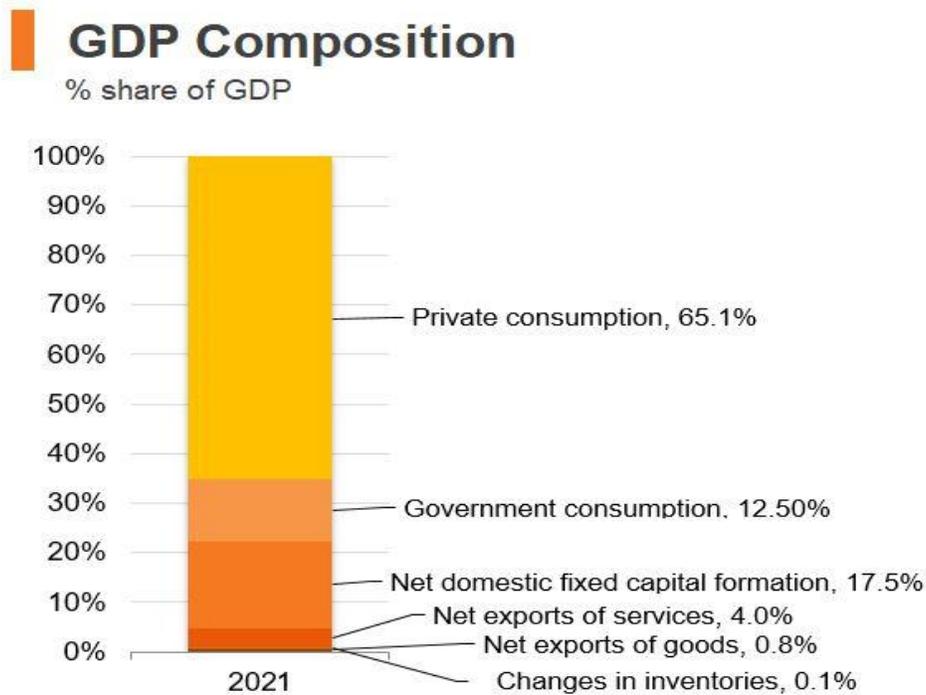


Figure 3. This figure is of the GDP Composition. The largest part of GDP is private consumption.

Source: HKTDC Research (2022).

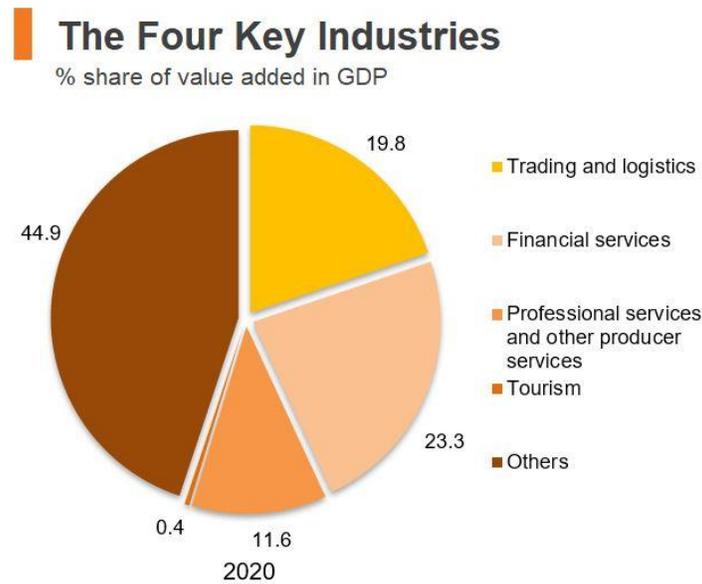


Figure 4. This figure displays the percentage share of value added in GDP

Source: HKTDC Research (2022).

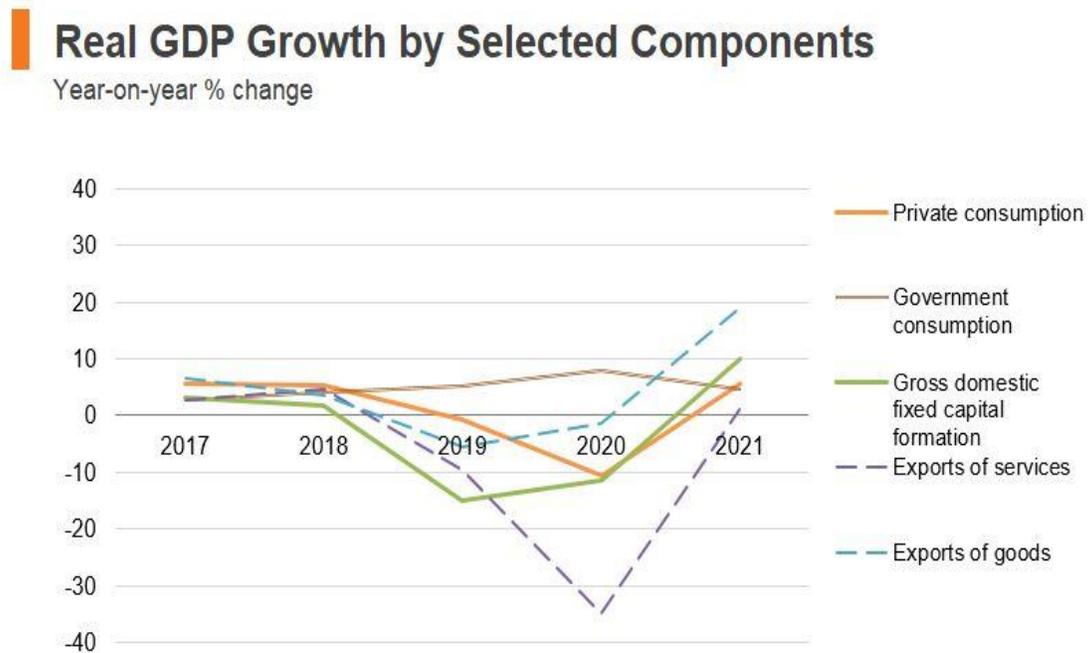


Figure 5. This figure portrays the real GDP growth by selected components. As one can see there was a dip in 2020. Then the economy appears to bounce back in 2021.

Source: HKTDC Research (2022).

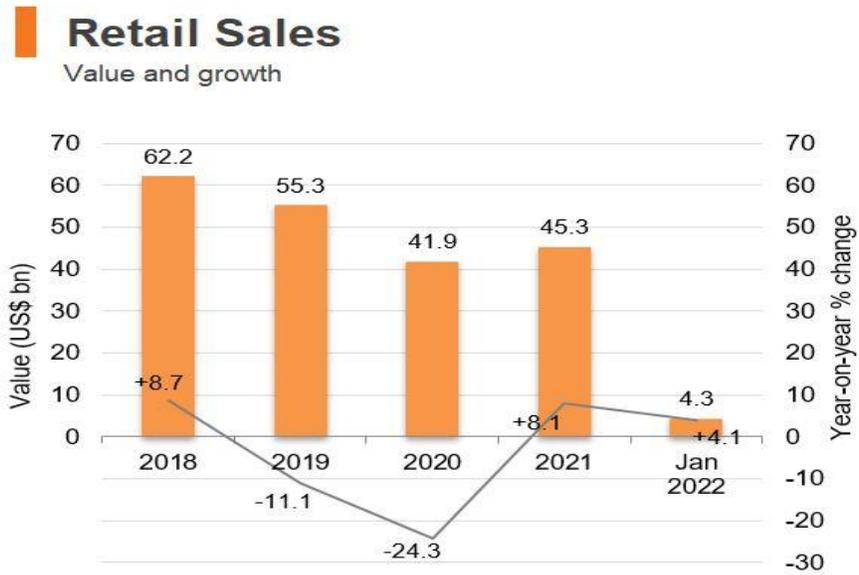


Figure 6. This figure examines retail sales. There are two different measurements on this graph. One measure the value of retail sales in billions of U.S. dollars. The other measures the growth of retail sales. One can see that in 2020 there was a decrease and that in 2021 there was a partial increase from 2020.

Source: HKTDC Research (2022).

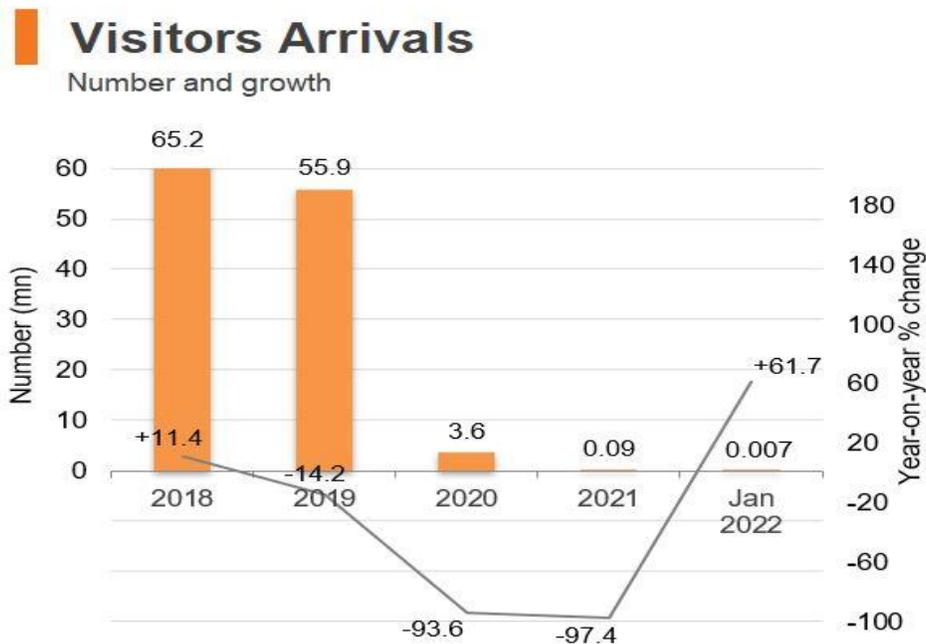


Figure 7. This figure examines the visitors arrivals in terms of number and growth. One can see that there was a marked decrease in 2020 and not until 2022, did the amount start growing. However, even with this growth, the amount started growing.

Source: HKTDC Research (2022).

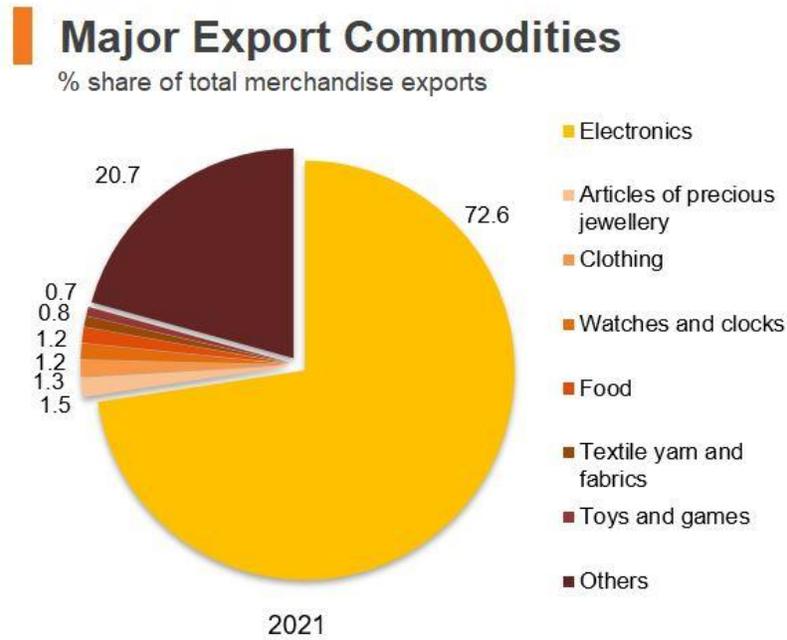


Figure 8. This figure measures major export commodities. One can see that electronics dwarfs any other category.

Source: HKTDC Research (2022).

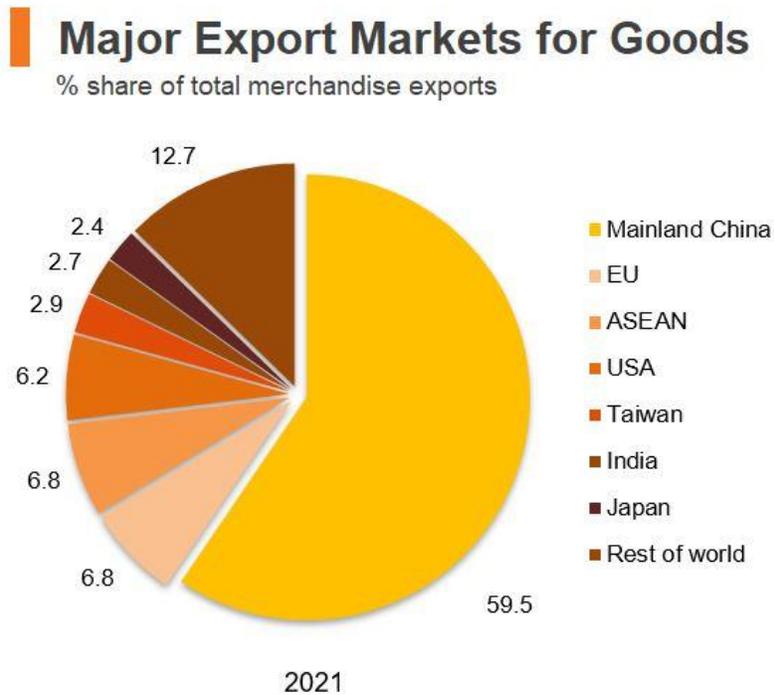


Figure 9. This figure illustrates the major export markets for goods. China is the most important destination.

Source: HKTDC Research (2022).

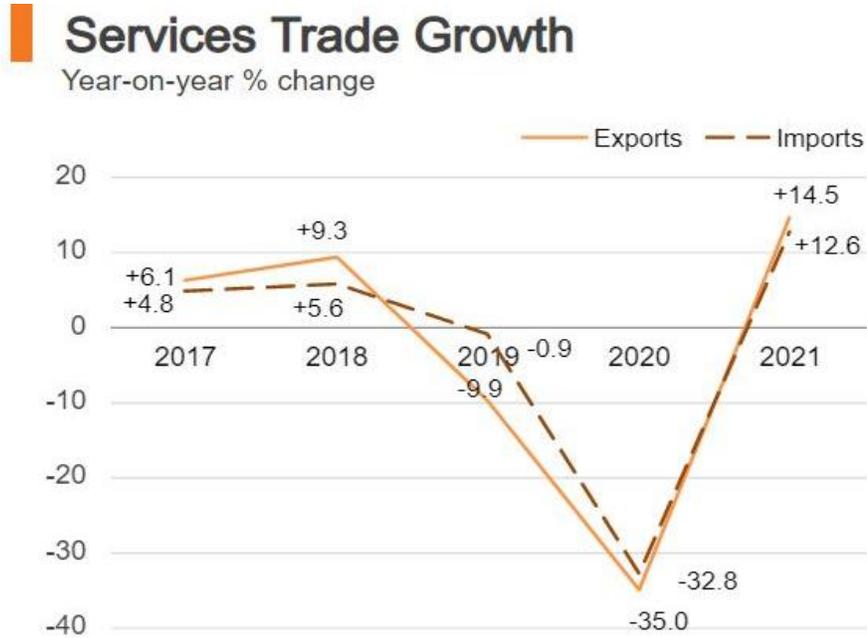


Figure 10. This figure portrays the service trade growth.

Source: HKTDC Research (2022).

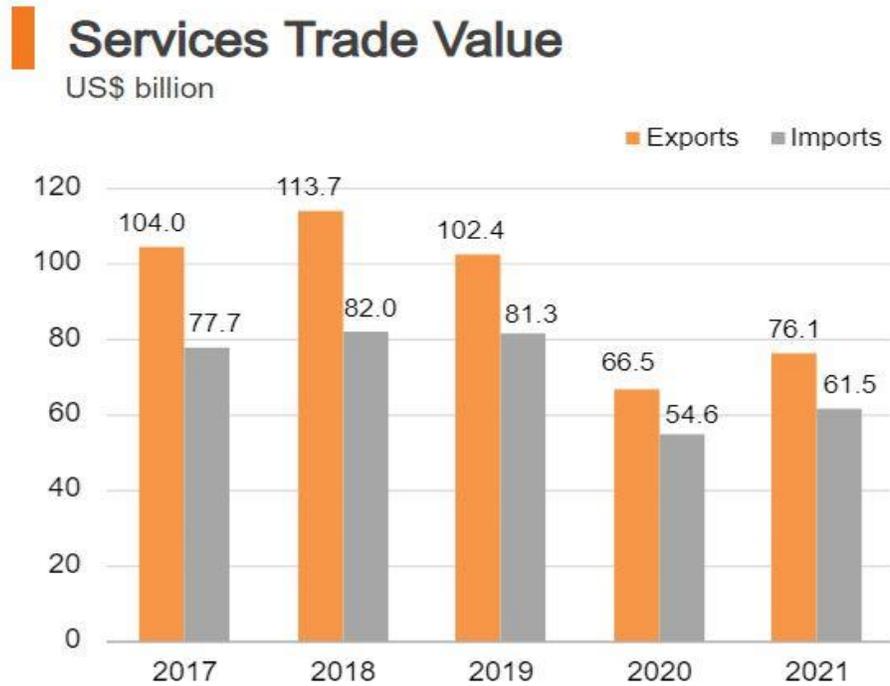


Figure 11. This figure measures services trade value. One can see that the year 2020 was not a good one for this. In 2021 there was a slight rebound.

Source: HKTDC Research (2022).

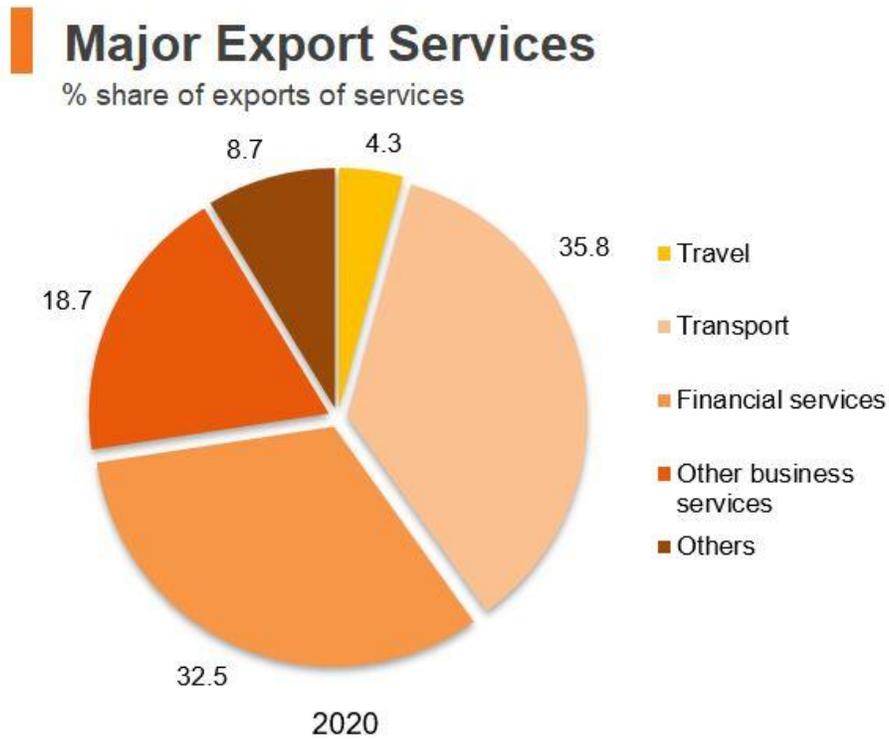


Figure 12. Services trade value is shown in this figure.

Source: HKTDC Research (2022).

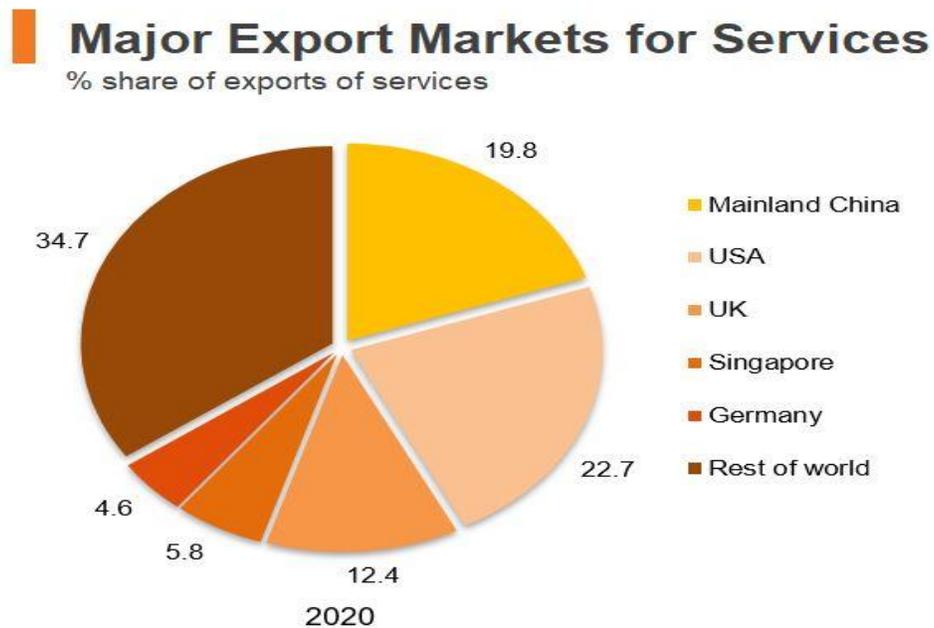


Figure 13. This figure shows major export services destinations.

Source: HKTDC Research (2022).

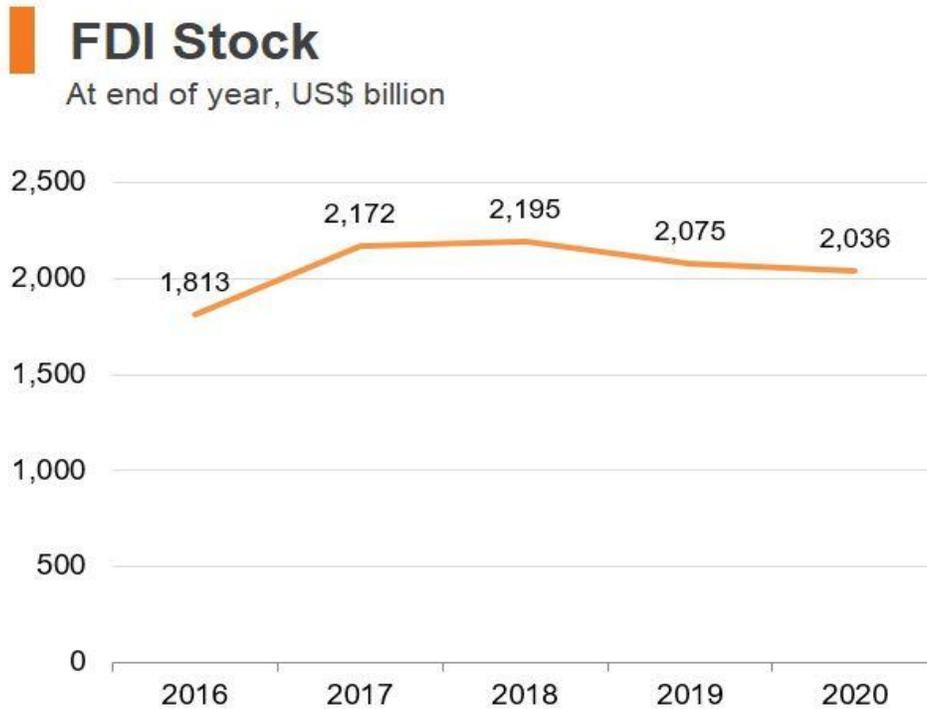


Figure 14. This figure shows FDI stock from 2016 through 2020.

Source: HKTDC Research (2022).

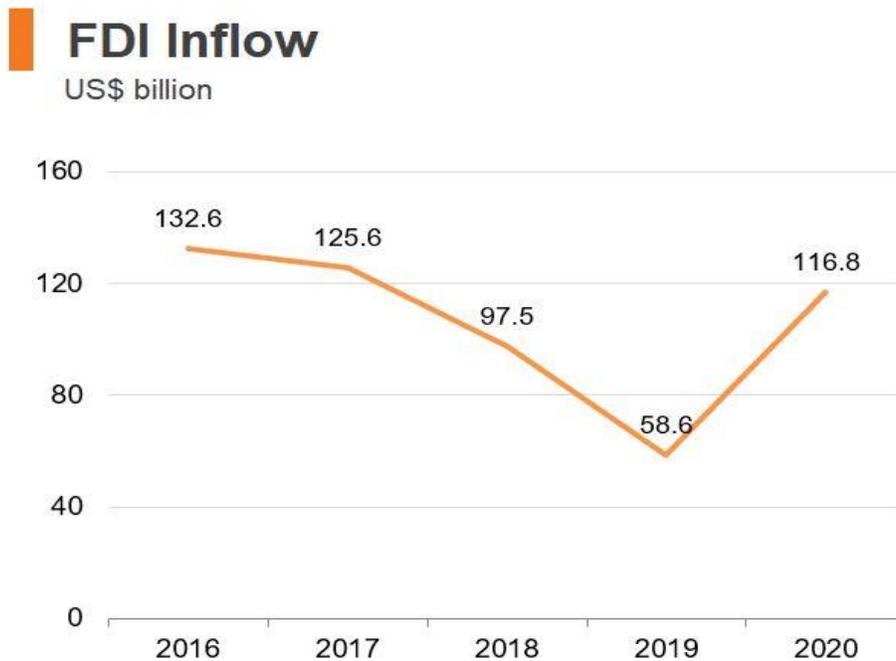


Figure 15. This figure measures foreign direct investment inflow. One can see that there was a decrease between 2016 and 2019. There was followed by a partial recovery in 2020.

Source: HKTDC Research (2022).

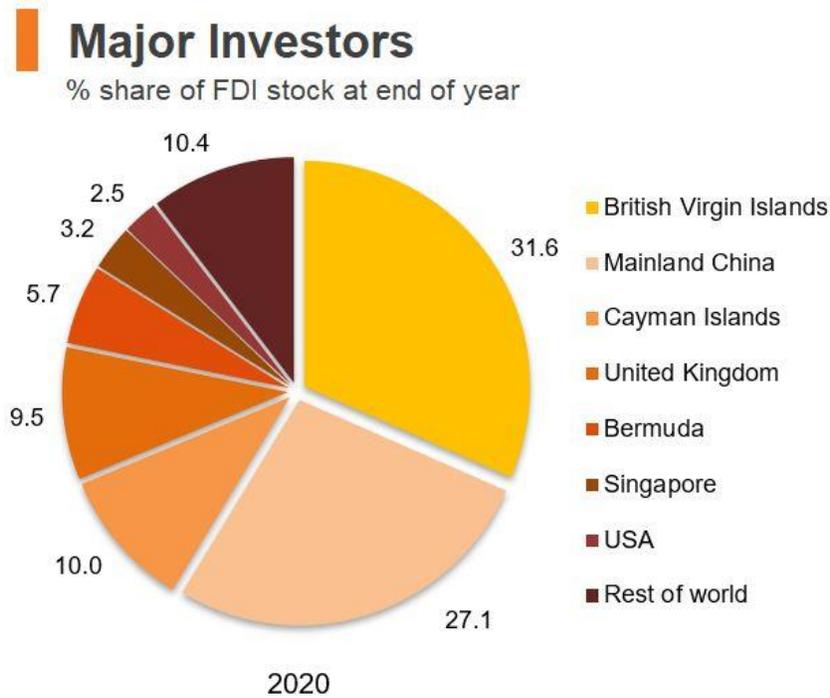


Figure 16. This figure measures the major investors of FDI stock at the end of the year. Mainland China and the British Virgin Islands are the two biggest parts of this.

Source: HKTDC Research (2022).

Summary and Conclusion

This article provides some of the important effects of the United States removing Hong Kong's special status, especially in regard to international trade. The United States removed the special status for Hong Kong due to the Chinese national government imposing of a strong national security law on the Hong Kong SAR. The national security law had as a purpose, the stifling of pro-democracy demonstrations. Basic human rights concerning free speech, free press and other civil rights have been curtailed in the Hong Kong SAR. The economy of Hong Kong was shown to have suffered some in the period of 2019 and 2020 to some degree. However, the economy showed some signs of partial recovery in 2021 and 2022. The author of this article spent many years in the Chinese Mainland and Hong Kong. The United States and China will continue international trade between these two countries in some form now and in the future. Of course the COVID-19 epidemic also had an impact on the Hong Kong economy.

Contributions: conceptualisation: Paul Gentle; methodology: Paul Gentle; project administration: Paul Gentle; software: Paul Gentle; investigation: Paul Gentle; data curation: Paul Gentle; formal analysis: Paul Gentle; validation: Paul Gentle; visualization: Paul Gentle; writing-original draft preparation: Paul Gentle; writing - review & editing: Paul Gentle; proofreading: Paul Gentle; template formatting and references: Paul Gentle.

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Moderating Influence Of E-Learning On Employee Training And Development (A Study Of Kwara State University Nigeria)

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Abstract

With rapidly changing work environment and digitalization in social life, it is easier and effective to use electronic learning (E-learning) systems to train human resource. This training can cover various dimensions like technologies, product, services, culture and policies. This study examined the influence of E-Learning on employee training and development. Two research questions were posed for the study and two hypotheses formulated in line with the objectives. As such, the objectives of the study were to examine whether the employees with less workload spend more time on E-learning than employees with higher workload, thus handle larger responsibilities and how the trainings imparted through E-learning has influence on performance of the employees and service quality. The study employed survey research, the experimental research and the ex-post facto. For this research, the quantitative research design was used. Questionnaires were administered to a sample size of two hundred and sixty (260) employees out of the seven hundred and twenty six (726) employee population of Non Academic Staffs of Kwara State University Nigeria. The simple random sampling and the test re-test reliability approach was adopted. The research found out that E-learning is a facilitating step for improving the pace of learning and reducing employee down-time thus enabling employees to handle greater responsibilities. Thus it concluded that employees with less workload can be made more responsible by providing training through E-learning. And it was also revealed that E-learning improves performance of employees by enhancing their productivity which influences quality of work thus improves employee performance. Based on the results of findings, the study recommends that Learning interactivities designed to accomplish knowledge transfer with a heavy emphasis on skills development on online learning platform can be used for new hires and market including: Business operations, auxiliary services, guidelines and future markets which will enhance employees performance and service quality. Other e-learning solutions are important as they are self-directed and much easy than any other methods of training.

Keywords: E-learning, training and development, workload, larger responsibilities, performance and Service quality.

JEL Classification: M15, M53.

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Introduction

The use of internet is important as many organizations are now adopting technologies to improve the efficiency in routine operations (Wang, 2018). Due to international expansion of corporations, the opportunities of working with people from different countries have increased and training people from all those countries together is an issue which E-learning successfully addresses. Costello and Burmeister (2020) posit that in an era of constant learning and growing competition, many organizations ensure that the technology which they are using is so developed that their workforce can learn anything, anywhere, anytime with least manual efforts. To ensure that an employee possess requisite knowledge and skills to perform a specific operation, the importance of corporate training is undisputable for an organization (Morosini, 2020; Xiang et al., 2020). Primarily, corporate training is centered on knowledge transfer e.g. internal as well as external conferences and workshops are an important yet expensive part for every business.

E-learning is a tool which makes it easy, inexpensive and result oriented as sales people can get their training in dealing with new products and formulating sales strategies online from anywhere, anytime and through any device. E-learning can lead to reduced costs to impart training in a short span of time, especially when employees are scattered worldwide. Corporate learning however involves another dimension in training where learners as participants contribute in generating new knowledge and skills that assists in the growth and development of the organization. With the constant changes in all types of work environments brought by the knowledge economy and rapid changes in technology, it is needed to train and retrain people in new technologies, products, and services within the given environment (Broadbent, 2017). E-learning is a way of training which can assist an organization in achieving its goal and the overall competitive advantage of the organization (Akinbola, Alaka & Kowo, 2018). It can raise individual's employability and corporate effectiveness by increasing knowledge base and skill base of the organization; also it can improve just-in-time training and employee's control over learning. E-learning means all forms of electronically supported teaching and learning practices (Oh, 2019; Alfrahat et al., 2020).

Across the world, every business large or small, local or global is adopting E-learning as a tool to impart effective learning. E-learning in business refers to a kind of training delivered via computer to individuals or groups that helps in achieving organizational goals. The motive of an organization in adopting E-learning is to enable individuals to improve job performance and satisfaction, understand and learn the skills needed for the job and to create a competitive work force in the organization (Pngil, 2019; Garavan et al., 2019). Undoubtedly, the idea of e-learning over a period of time is spreading rapidly. E-learning in an organization can be defined as a kind of training delivered via computer that meets individual learning as well as organizational goals. The key to success of E-learning is to achieve the organizations strategic goals through reliable learning (Kowo, Akinbola & Sabitu, 2019). In order to do so, companies need to deliver high-quality training programs that potentially can offer good returns to corporations within their current training plans. All learning material is derived from the content within the E-learning system. Organizations generally use E-learning to help the learner improve job skills which lead to better performance and satisfaction and in-turn create a competitive work force for the company. Undoubtedly the success of E-learning is spreading rapidly. Zhang et al., (2019) opined that E-learning means delivery of a learning, training or education program through the medium of electronic tools. E-learning delivers content via computer or electronic device (e.g. a mobile phone) to provide training, educational or learning material.

Literature Review

Rationale for E-Learning

As we look back to the world of training before the inception of mobile devices and learning through internet, there was only ONE of each: One right place, one right time, and one right format. Training was conducted in a classroom by an instructor and learners at a predetermined time with paper guides created for the instructor and handouts for learners (Monolli et al., 2020; Pangil, 2019). Despite the fact that learning has taken various forms and formats over years, the classroom teaching has been de facto standard for corporate learning. And in many cases it still is. But with advancement in technology and availability of easy and affordable resources organizations are now adopting more advanced and technology driven methods of learning, primarily E-learning.

Although most of the organizations have similar reasons to adopt E-learning, but some of them have their own agenda for using it. One of the major reasons that draw their attention towards E-learning (Khandakar & Pangil, 2019) is its ability to align E-learning program with high-level business strategies, and its capacity to train entire workforce simultaneously to support these strategies. Use of technology to impart learning such as CD-ROM, DVD and Internet enables an organization to train its employees and potentially reduce the costs (Winhard & Sitzmann, 2018; Dignen & Burmeister, 2020). There are many reasons which attract organizations to implement E-learning for training such as, cost-effectiveness, free-format, flexibility that allows it to be adopted across multiple channels, learning as per the convenience of the learner and its ability to be tailored according to the organizational needs (Oh, 2019; Mikalef et al., 2018; Kowo, Akinbola & Popoola, 2019).

E-Learning Issues and Challenges

For an organization, E-learning is considered as a new training possibility and as an opportunity to save time and money. However, most of the time, poor quality learning experiences and a high percentage of losses are observed. The common challenges that an organization may face are:

1. Lack of learner's motivation - It is one of the most common E-learning challenges that E-learning experts must work on. Learners often have the preconception that traditional methods are more effective because they believe they can learn better in a familiar environment (Alharthi et al., 2019).
2. Busy schedule of the learners - Many employees resist joining an E-learning program because they believe that it will disturb their peace at work or it will demand more time. Also, trying to keep track of learner's progress could be the most difficult challenge to address (Zhang et al., 2019).
3. It offers no support - It is a myth that E-learning programs offer no support to the learners (Morosini, 2020).

E-Learning and Corporate Training

Corporate training is a method through which businesses can expand the knowledge base of their employees. Through regular and worthy training, employees can be made more productive, more focused on the core competencies of their business which in turn can raise the success level to gain a competitive edge over others in the industry (Pangil, 2019; Broadbent, 2017). Face-to-face training has become impractical due to scheduling and travelling issues, and often due to the costs issues too. In fact, this method requires more manpower and resources which would lead to slower business activities. With the introduction of E-learning system, businesses can expect to deliver successful training programs to their employees and ensure that they get benefited from it. Giant companies in Nigeria are also running their corporate training sessions through online LMS (Akinbola, Alaka & Kowo, 2018).

Training Videos and Computer Based Training (CBT)

Training Videos can be provided to supplement Computer Based Training (CBT). Now a day's use of satellite mode is encouraged to provide online training to the users at various locations without restriction of geographical boundaries (Mikalef et al., 2018; Garavan et al., 2019). Courses can be outlined to focus on refurbishing operational knowledge and awareness, through intensive and interactive practice on power plant simulator during system malfunction. Such kind of on the job training will inculcate confidence in participants in carrying out their assigned tasks and potentially reducing unscheduled outages and revenue loss, providing better span of life equipment and thus increasing overall profitability in emerging market (Morosini, 2020). The only challenge here is to encourage and keep the spirit of learning high among the employees so that they themselves want to invest the time and efforts (Menollie et al., 2020).

Empirical Review

Naresh B., Dr. Bhanu Sree Reddy (2015), in the paper titled —Challenges and Opportunity of E-Learning in Developed and Developing Countries- This study compares the E-learning environment and its difference between the developing countries. This paper identifies the problems faced by those countries. The developing country faces more challenges like lack of infrastructure, trained instructors, lack of financial support,

Government policies and less student readiness. But E-learning provides more opportunity since it is in developing stage. The things that are to be learned from developed countries are support from the government, proper training regarding technology and awareness of E-learning and user's readiness to learn new technology. If the developing countries could adopt the success factors of developed countries in terms of E-learning implementation, there is a huge potential for the growth of E-learning in developing countries since it has a large population and huge difference in student and faculty enrollment ratio. In developed countries, government provides financial support for developing E-learning with clear action plans for future proceedings. They have uninterrupted electricity supply and internet facility. Even though developed countries are strong in infrastructure, the challenges faced are found related to student engagement, student motivation, and high student drop out ratio. Opportunity for the developed countries is to implement successful E-learning models, which in turn improves the economic growth of the country. They increase productivity to maximum level with minimum effect by using ICT through which knowledge can be shared across the world. If proper steps are taken, challenges and the differences between the developed and developing countries can be minimized to a greater extent by implementing E-learning in higher education.

Priyanka Chauhan Indora (2014) highlighted in her paper titled — Training, E-Training and Technological Advancements in Cement Industry, the significance of training programme and technological advancement to sustain in corporate world. With growing competition at every level, organizations have to become more adaptable, flexible, responsive, and customer focused to succeed. The managers today are facing a complete new array of changes in technology. E-Training is a part of training programme. E-Training programme is easy to conduct but successful program is a challenge for management too. With the ongoing changes in technology, it's important that organizations need to be aware of the technological advancements and changes in Information technology and provide training according to that. But E-Training cannot train technical aspects fully as equipment's and machinery need physical presence for practical knowledge. It has guided a new path in cement industry also. These challenges can be defeated through technical, technological and informational training and E-learning of employees through various innovative ways and self-development practices too. This paper focuses on the technological advancement and how these advancements can be managed by training program. Technology is changing in a rapid way and it has become hard to manage too. It is not an easy task to train employees again and again by E-training. Training and development department have to be more focused over technical updates and make the employees to get updated on regular basis. Knowing in advance what type of situation might arise will help us to be better equipped for technological advancement via E-training or training. Employees, trainers and management all have to be proactive for technical aspects. Priyanka Chauhan Indora (2014) study concludes that E-training is very useful but it has also its limits. As per the survey, technical aspects should be dealt with training and E-training both as per the need.

Pramila Rao, (2011) conducted a study "E-learning in India: the role of national culture and strategic implications". The main objective of this study is to understand the impact of national cultural dimensions on E-learning practices in India. India is considered as a significant player in the world economy today. US multinationals are constantly increasing their presence in India and understanding cultural preferences are helping global companies transition better. This research indicates that national cultural dimensions of power distance, uncertainty avoidance, group collectivism, and future orientation influence E-learning practices. This study distinguishes between synchronous and asynchronous methods of E-learning and the role of culture on the same. Future research can definitely test the proposed hypotheses empirically. This study provides strategic implications for MNCs with a guide sheet identifying the role of the various cultural dimensions on E-learning. In other countries these suggested strategies can be implemented by multinationals with similar national cultural dimensions also. This study further suggests a theoretical E-learning model identifying the impact of national cultural dimensions on E-learning practices. This research is also helpful to practitioners as it suggests implementation of a strategic model for E-learning initiatives in multinationals.

Nishikant Waikar (1990) in the report —Healthcare: E-learning in India, aimed to provide an effective and efficient system to introduce a premium quality based E-education in health sector. Demand for professional and technical education is rising with advent of the society to be prepared for the next century challenges of the

universe. Evolution through adaptation or adoption of technology is the only successful answer for this preparation. Teaching methodology and technology always maintains a closed cycle between them. Sometimes pedagogy involves technology and sometimes invents it. Whatever the relation is, highly personalized and efficient education system needs technology much more than anything else. This study reveals that online learning experiences can be highly engaging and thus highly conducive to learning. In short, global investigation into any area of knowledge is quite possible with the help of a computer with Internet communication. It has made professional and technical education more comfortable and uniform all over the world.

Juha P. Lahti and Taminee Shinasharkey (2012) in the research paper titled — Corporate eLearning Position in Finnish Energy Business - Power Market Perspective. The paper aimed to assess position of e-learning as used in Finnish energy companies, particularly from power market perspective. Both technical and attitude aspects are approached. As a result, the study focuses on several areas of E-learning and poses the current position of corporate E-learning in Finland. It also reviews the relevant challenges faced by the companies under study and presents future scope of E-learning in the energy sector. Results show that in the companies under study average 7 per cent of the total training and learning is done through E-learning. As a part of research, the study aims to know how well E-learning is accepted in this specified field. The results show that in general the participants estimated their acceptance slightly more positive than average. Majority of the interviewees opines that traditional learning less risky to the core business as compared to E-learning. This is mainly for quality reasons. That's why E-learning is not seen as trustworthy in comparison to traditional approach. Statistically operational and technical personnel see E-learning less risky. Used platforms vary in significant scale and in practice almost every case company used different products or combinations of those in e-learning. In the case e-learning platform that companies commonly used was combination of commercial collaboration platform and intranet solutions. All interviewed groups saw E-learning role rising within coming 5 years. The highest expectations were in technical personnel and management groups, lowest in operational personnel. Again, the results were relativity similar and no exceptionally high variation noticed in groups or companies.

Research Methods

The methods adopted for carrying out this research include the survey research, the experimental research, and the ex-post facto. Quantitative research design was used. The total population of Non Academic Staff of Kwara State University is 736 which would form the basis on which sample size would be drawn. In order to have a more effective sampling, the Yamane formula would be adopted in determining the accurate sample size. A normal approximation with a confidence level of 95% and a margin of error 5% will be employ (Krippendorff, 2018).

The general formula is
$$n = \frac{N}{1 + N e^2}$$

Where: n = the sample size

N = population

e = error margin

$$\begin{aligned} \text{Therefore, } n &= \frac{736}{1+736(0.05)^2} \\ &= \frac{736}{1+736(0.0025)} \\ &= \frac{736}{2.5} = 260 \end{aligned}$$

Sample sizes of two hundred and sixty (260) employees out of the seven hundred and twenty six (726) Non Academic Staff of Kwara State University were administered questionnaire to. Questionnaire was used for

collecting responses from the subject selected for the study; the test re-test reliability approach was employed for the convenience of the researcher (McDonald et al., 2019). The data were analyzed using (SPSS). The study made use of statistical tools such as regression analysis in testing hypotheses and ANOVA which helped in the interpretation of results (Krippendorff, 2018).

Presentation of Data and Analysis

Table 1. Distribution of respondents and response rate

Respondents Occupation	Questionnaire administered (sampled)	Percentage of total response (%)
Supervisory	160	68.1
Managerial	75	31.9
Executive	-----	----
Total	235	100.0
Gender/Category	Questionnaire administered (sampled)	Percentage of total response (%)
Male	151	64.3
Female	84	35.7
No of Returned	235	90.4
No of Not Returned	25	9.6
Total no of Questionnaires	260	100

Source: Field Survey 2021.

Table 2. The Descriptive statistics of E-Learning and Employee Training and Development

Responses	Total (N)	Mean
Workload, E-learning and larger responsibilities.		
E-learning facilitating step improve the pace of learning and reducing employee down-time thus enabling employees to handle greater responsibilities	235	3.96
Workers are encouraged to work better seeing a large number of people retire at work	235	3.79
Learning technologies have the greatest impact on the training and development activities.	235	3.89
The major factor hindering employees training are time and budget.	235	3.88
ICT tools utilized for E-learning are less complex such as portals, multimedia or text-based content as compared to the complicated tools like content management or virtual classrooms	235	3.98
E-learning, improved performance and Service quality.	Total (N)	Mean
E-learning training empowered workforce and increased the productivity with tailor made solution for employees.	235	3.97
E-learning programs improved the efficiency and increase motivational level of a large number of employees across different locations.	235	3.68
There is a need for the development of uniform measurements to track the connections between learning, employee performance, and profitability.	235	3.87
In order to improve individual and organizational performance, evaluation and measurement must be vital components of the training process which enhances service quality	235	3.77
Employers who were engaged with the training system became more aware of and more satisfied with the E-learning services offered by training providers.	235	3.99
E-learning had varying correlations with employee productivity, job performance, job satisfaction and organizational commitment.	235	3.85

Source: Field Survey 2021.

Test of Hypotheses and Discussion of Findings

Regression analysis was used to measure the effect of the independent variable to the dependent variable of all the hypothesis and proper interpretation and analysis techniques was used to explain the hypotheses testing.

Hypothesis One

H0: The employees with less workload do not spend more time on E-learning than employees with higher workload, thus cannot handle larger responsibilities.

H1: The employees with less workload spend more time on E-learning than employees with higher workload, thus making themselves capable to handle larger responsibilities.

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 ^a	.195	.191	.41114

Note: a. Predictors: (Constant), Workload.

Source: Field Survey 2021.

Table 4. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	9.538	1	9.538	56.423	.000 ^b
	Residual	39.385	233	.169		
	Total	48.923	234			

Notes: a. Dependent Variable: LARGER RESPONSIBILITIES (LR).

b. Predictors: (Constant), WORKLOAD (WL).

Source: Field Survey 2021.

Interpretation of Results

The results from the model summary table above revealed that the extent to which the variance in Larger Responsibilities can be explained by Workload is 19.5% i.e (R square = 0.195). The ANOVA table shows the Fcal 56.423 at 0.0001 significance level. Workload influences the Larger Responsibilities.

Table 5. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.126	.108	10.379	.000
	WORKLOAD	.351	.047	.442	.000

Note: a. Dependent Variable: LARGER RESPONSIBILITIES.

Source: Field Survey 2021.

The coefficient table above shows the simple model that expresses how Workload influences the Larger Responsibilities. The model is shown mathematically as follows; $Y = a + bx$ where y is Larger Responsibilities and x is Workload, a is a constant factor and b is the value of coefficient. From this table therefore, Larger Responsibilities (LR) = $1.126 + 0.35WL$. This means that for every 100% change in Larger Responsibilities, Workload contributed 35.1%

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that Workload influences Larger Responsibilities. Thus, the decision would be to reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

E-learning enables employees to handle greater responsibilities and time saving

This variable was taken to validate the hypothesis that E-learning makes employees with less workload more responsible to handle greater tasks. A Statistical significant difference was found in the opinions of the employees and it is accepted that a majority of employees agreed about E-learning as a facilitating step for improving the pace of learning and reducing employee down-time thus enabling employees to handle greater responsibilities. A significant difference was found in the opinions of the employees belonging to different organizations about the fact that E-learning enables employees to handle greater responsibilities by improving their learning speed and reducing downtime. This variable also helped in validation of the hypothesis that E-learning has influence on

saving employee time thus enables them to handle greater responsibilities. A Statistical significant difference was found in the opinions of the employees and it is accepted that a majority of employees opined that E-learning had significant influence on time saving and larger responsibility. As per above tables and comparing the opinions of the employees it was found that there was a significant difference in the opinions of employees, hence null hypothesis was rejected and it was accepted that E-learning courses enables employees to handle greater responsibilities by improving their learning speed and reducing downtime. Thus it can be concluded that employees with less workload can be made more responsible by providing training through E-learning.

Hypothesis Two

H0: The trainings imparted through E-learning do not results in improved performance of the employees and Service quality.

H1: The trainings imparted through E-learning results in improved performance of the employees and service quality.

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.159 ^a	.025	.021	.52726

Note: a. Predictors: (Constant), E-LEARNING.

Source: Field Survey, 2021.

Table 7. ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	1.675	1	1.675	6.025	.015 ^b
	Residual	64.775	233	.278		
	Total	66.449	234			

Notes: a. Dependent Variable: IMPROVED PERFORMANCE AND SERVICE QUALITY (IPSQ).

b. Predictors: (Constant), E-LEARNING (EL).

Source: Field Survey 2021.

Interpretation of Results

The results from the model summary table above revealed that the extent to which the variance in improved performance and service quality can be explained by E-learning is 2.5% i.e (R square = 0.025). The ANOVA table shows the Fcal 6.025 at 0.0001significance level. E-learning improved performance and service quality.

Table 8. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.605	.148	10.877	.000
	E-LEARNING	.197	.080	2.454	.015

Note: a. Dependent Variable: IMPROVED PERFORMANCE AND SERVICE QUALITY.

Source: Field Survey 2021.

The coefficient table above shows the simple model that expresses how E-learning affects the performance and service quality. The model is shown mathematically as follows;

Y = a+bx where y is Improved Performance and Service quality and x is E-learning, a is a constant factor and b is the value of coefficient. From this table therefore, Improved Performance and Service Quality = 1.605 +0.197EL. This means that for every 100% change in improved Improved Performance and Service Quality, E-learning contributed 19.7%

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that E-learning affects Improved Performance and Service Quality. Thus, the decision would be to reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

E-learning improved performance of the employees and Service quality.

This variable helped in validation of the hypothesis that E-learning improves performance of employees by improving service quality. A Statistical significant difference was found in the opinions of the employees and it is accepted that a majority of employees either highly agreed or agreed about emergence of E-learning due to lowering down of service quality. This variable helped in validation of the hypothesis that E-learning improves performance of employees by enhancing their productivity. A Statistical significant difference was found in the opinions of the employees and it is accepted that a majority of employees opined that E-learning had significant influence on employee productivity. This variable helped in validating the hypothesis that E-learning positively influences quality of work thus improves employee performance. A Statistical significant difference was found in the opinions of the employees and it is accepted that a majority of employees opined that E-learning had significant influence on quality of work.

Conclusion

A Statistical significant difference was found in the opinions of the employees and it gets accepted as a majority of employees opined that E-learning was more effective in comparison to other practices. E-learning was found more effective in providing better interaction and understanding and in providing relevant and adequate vocational knowledge as a majority of employees agreed the facts. Most of the employees agree that E-learning was more effective in meeting needs of employees. A majority of employees disagreed that E-learning was more effective in providing knowledge to solve situation specific issues. A majority of employees strongly agreed or agreed about emergence of E-learning due to these reasons namely, inflexibility inherent in traditional methods, lowering down of service quality and delay in resolving urgent issues. However, no significant difference was found in the opinions of the employees belonging to different organizations about the aforesaid facts. A majority of employees neither agreed nor had any idea about E-learning's emergence due to these reasons namely, Competition, Globalization, innovation of new products or techniques and increased customer complaints. A statistical significant difference was found among the importance given to different objectives of training and development through E-learning. Saving Costs was given the highest importance whereas Ensuring Quick Resolution of Issues got the least importance. A majority of employees opined that E-learning had significant influence on employees' productivity. A majority of employees revealed that E-learning had significant influence on quality of work. A majority of employees agreed that E-learning had significant influence on time saving.

Recommendations

I. To sustain in competitive market, organizations have to emphasis on the specialist training packages that can be customized to meet each functional level requirement, including operational procedures as well as minimum safety directives applicable to each plant. Companies could start multiple learning and development e-programs, including Operator Certification e-programs. System / Maintenance Operator certification e- programs can be conducted to specific knowledge of job skills and reliability standards. It will also prepare employees to handle the inter-connected generation and transmission controls during normal and emergency processes. Each e-program can have features integrated progress reviews and knowledge assessments with automatic scoring and printable completion certificates.

II. Learning interactivities designed to accomplish knowledge transfer with a heavy emphasis on skills development on online learning platform can be used for new hires and market including: Business operations, auxiliary services, guidelines and future markets.

III. To help employees to meet rapidly changing market scenario, organizations have to strengthen its learning and development initiatives and should introduce e-learning for its employees in a big way. Common strategies or blanket application of strategies is not the only solution particularly for the environment where learning in chunks is appreciated and found as convenient.

IV. To improve employee performance and efficiency as per business needs, LMS and other e-learning solutions are important as they are self-directed and much easy than any other methods of training.

V. Training Videos can be provided to supplement Computer Based Training (CBT). Now a day's use of satellite mode is encouraged to provide online training to the users at various locations without restriction of geographical boundaries.

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