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GUIDELINES TO MITIGATE AUTOMATED PROCESS-RELATED RISK IN A SOUTH AFRICAN FINANCIAL TECHNOLOGY ORGANISATION

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Abstract:
This qualitative study aimed, first, to explore how end-users understand automation-related risks in a South African financial technology organisation. Research on human–automation interactions suggests that there are operational risks when end-users adopt or use automated systems. For example, the literature records that organisations do not ensure that end-users understand automated, process-related, built-in risks presented to them. Furthermore, documented information about how end-users understand automated process-related risks in financial technology organisations is scarce in the academic literature as well as in the particular organisation studied in this report. A work-level-related approach was used to address this research problem, focusing on end-users facilitating client-related transactions to consumers on behalf of various financial organisations. Data were collected through semi-structured interviews with 13 end-users representing two organisational functions of automated processes in the business: handling client-related transaction processing and undertaking reconciliations. Overall, the findings indicate that trust in automation is needed for end-users to understand automated process-related risks. Participants in the study population cited unavailability of specific system functionality and increases in personal risk accountability due to overall limitations in the system as contributing risk factors. Contributing factors of special interest to the risk culture of the organisation in the study were a lack of knowledge sharing and inefficiencies related to power distance. By evaluating end-users' process-related risk reporting and eliciting feedback from system developers, the power distance in the organisation could be improved. Second, the results of the exploratory study and two additional interviews were used to compile risk-related guidelines for employees at different work levels on built-in, automated processes. An empowerment strategy of this kind, the first to be considered by the business, could improve the organisation's risk culture and management over time. Moreover, the outcomes of the study may be beneficial to developers of automated systems and risk practitioners in general and significant to more organisations.

Keywords:
End-user understanding of automated process-related risk, work levels, automation, risk culture, risk-related behaviour, risk management structures