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Developing an HRM Performance Model for Measuring the Impact of Employee Training on Organizational Success

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Abstract

This study hypothesizes a model of HRM performance to comprehend the impact of employee training on the success of the organization through employee performance. Although extensive studies on HRM practices have been conducted, there is a gap in holistic models that can quantify the correlation between employee training, performance, and success. To address this research gap, this study uses a quantitative methodology with a cross-sectional research design, and a quantitative methodology was used to gather primary data where 168 employees were selected to work in the IT, manufacturing, and services industries using a questionnaire with a five-point Likert scale. The analyses that were done were reliability, correlation, and regression analysis. The results indicate good reliability, with Cronbach's alpha values exceeding 0.80 in all variables. The results reveal positive correlations between employee training and employee performance and organizational success ($r = 0.68$-0.75, $p < 0.01$). The regression analysis showed that there were significant relationships between employee training and employee performance ($\beta = 0.68$, $p = 0.01$) and employee training and organizational success ($\beta = 0.42$, $p = 0.01$); employee performance had a greater effect on organizational success ($\beta = 0.75$, $p = 0.01$). The findings support the partial mediation effect that indicates that training has direct and indirect positive effects on the success of an organization through its influence on the performance of the employees. The study recommends that good and proactive training is essential to organizational success.

Keywords: Human Resource Management, Employee Training, Employee Performance, Organizational Success, HRM Performance Model, Strategic HRM.

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Introduction

Human Resource Management (HRM) has ceased to be a traditional and administrative approach to a strategic approach that is central in the enhancement of organizational performance and competitiveness. Today, HRM does not only entail hiring and payroll management but also involves investing in talent, improving performance, and aligning to organizational strategies (Nyathi & Kekwaletswe, 2023). The advent of electronic HRM (e-HRM), artificial intelligence (AI), and digitalization has improved the strategic role of HRM in improving employee and organizational performance as well (Mollah et al., 2024; Sun, 2025).

One of these HRM practices is training, which is essential in achieving a competitive edge. Training enhances knowledge, skills, and abilities of employees, and with this comes improved productivity, innovation, and performance. It has been researched that companies that have formal training programs are more efficient and flexible and can maintain high performance (Lou et al., 2024; Sampath et al., 2024). Moreover, training facilitates the digital transformation strategies and fosters the culture of learning, which are essential in the highly digital and competitive world (Sun & Jung, 2024; Zahoor et al., 2024).

The recognition of the importance of employee training, there is a lack of research on how to measure its impact on the success of organizations (Zihan et al., 2024). The existing research is likely to measure training outcomes either in terms of employee performance or in terms of organizational performance but not both (Nyathi & Kekwaletswe, 2024). Furthermore, despite the fact that numerous papers have been written concerning HRM practices such as green HRM, AI-powered HR systems, and strategic HRM, the connection between them and training effectiveness and the success of the organization is still in solitude (Khan & Liu, 2023; Mehak & Batcha, 2024).

In this respect, the problem lies in the fact that there is no comprehensive HRM performance model that combines the training of employees, their performance, and organizational achievements. This plays a key role in ensuring organizations justify their investment in training and align HRM strategies to business strategies.

Based on this context, the objectives of this study are:

- To investigate how training of employees impacts employee performance.
- To develop a model that will analyze the role of HRM in determining the success of an organization.
- To determine the relationship between the performance and success of employees.

Paper Organization

The paper will be structured in the following way: Section 1 provides the background and objectives of the study. Section 2 is a review of the literature and theory. Section 3 describes the method of research. The results are presented in Section 4. The results are discussed in Section 5, and a conclusion is given in Section 6.

Literature Review

The connections between employee training, performance, and organizational performance are based on different theories.

According to the human capital theory, investments in human capital will enhance the human capital, thereby leading to an increase in the level of productivity and performance. Training is considered an investment to improve human capital and promote sustainability. Literature indicates that HRM practices like training can significantly affect employee skill and performance indicators (Sun, 2025; Lou et al., 2024).

The Resource-Based View (RBV) emphasizes competitive advantage due to the presence of valuable, rare, inimitable, and non-substitutable resources. The human resources, particularly the trained ones, are considered important resources. HRM practices like training and development enhance the competences of an organization, which results in innovation and performance (Khan & Liu, 2023; Georgescu et al., 2024).

In addition, training effectiveness models such as the Kirkpatrick Model provide models to quantify training effectiveness at various levels, such as reaction, learning, behavior, and results. The modern HRM practices apply digital technologies and AI to more accurately assess the effectiveness of training and enable the organization to relate training to performance measures (Sampath et al., 2024; Zahoor et al., 2024). Digital and AI-based HR systems are adapting these models to evaluate the effectiveness of training in a more holistic way (Mollah et al., 2024).

Employee training programs are aimed at enhancing the knowledge, skills, and abilities of the employees. This includes training programs and content, frequency, how it is being delivered, and quality. Training on digital

platforms and artificial intelligence (AI) is more efficient and individualized, enabling companies to develop the skills and flexibility of their workforce (Mollah et al., 2024; Sun & Jung, 2024).

Employee performance encompasses the quality and efficiency of the job performance of the employees. This involves productivity, quality, creativity, and skills. Research indicates that HRM (training and development) can influence significantly the performance of employees and work-related outcomes (Lou et al., 2024; Sampath et al., 2024). Artificial intelligence (AI) in performance appraisal also enhances the dependability of performance assessment (Sampath et al., 2024).

Organizational performance entails the achievement of organizational strategic goals like profitability, growth, innovation, and sustainability. Studies indicate that effective HRM has an influence on improved organizational performance, efficiency, and resilience (Nyathi & Kekwaletswe, 2023; Georgescu et al., 2024). The integration of technology and HRM strategies contributes to enhancing the flexibility and sustainability of an organization (Sun & Jung, 2024).

Research Gap

Although previous studies have highlighted the importance of the HRM practices and training, there are research gaps that justify this study.

To begin with, the existing literature tends to concentrate on HRM practices and performance independently without taking into account the combination of individual and organizational aspects in a systematic approach. This obstructs the perception of the role of training in bringing about success.

Second, despite the recent research on digital HRM, AI-based systems, and sustainable HR practices, few empirical data are available about the role of such technological and sustainable HR practices in training effectiveness and organizational success.

Finally, the lack of research on the comprehensive HRM performance models that encompass both employee training and employee performance and organizational success is also a shortage. This should be dealt with in order to know the overall performance of HRM and the strategic positioning that it plays in organizations.

Hypotheses Development

These hypotheses are formulated on the basis of the literature and the theoretical background:

H1: Training positively influences employee performance.

Employee training enhances performance and productivity by boosting skills, knowledge, and abilities.

H2: Employee performance is positively and significantly related to the success of organizations.

As employees improve their performance, the organization's performance improves across productivity, innovation, and effectiveness.

H3: Training of employees is positively and significantly associated with organizational success

Organizations with effective training programs are likely to succeed in the market and achieve their strategic goals.

Research Methodology

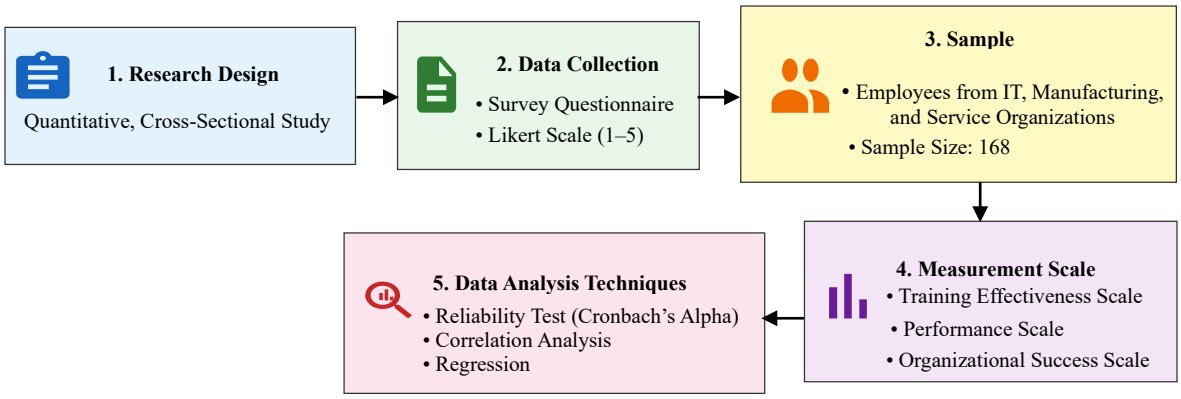


Fig. 1: Research Methodology Flow Diagram

Fig. 1 illustrates the research design adopted in this study, providing a step-by-step outline of how the research was carried out. It begins with the research design, focusing on a quantitative, cross-sectional design. This is preceded by the collection data in a survey questionnaire on a Likert scale (1-5). Subsequently, it presents a sample of 168 workers from the IT, manufacturing, and service sectors. It will then describe the scales used to measure the effectiveness of training and employee and organizational performance. The data analysis methods are illustrated in the final section of the diagram, including reliability (Cronbach's alpha), correlation analysis, and regression. In brief, fig. 1 is a pictorial illustration of the research design of this research.

Research Design

The research design employed in this study is a quantitative research design to identify the relationship between employee training, employee performance, and organizational performance. It uses a cross-sectional design, collecting data from respondents on various organizations at a given time. The relationships suggested can be tested and applied to successfully test the HRM performance model within a short period of time using this strategy. Its quantitative aspect enables measurable variables to be quantified and statistical methods to be used to test a hypothesis.

Data Collection

The research employs primary data collected through a questionnaire. The survey questionnaire also aims to collect data on perceptions of training effectiveness, employee performance, and organizational performance.

A Likert scale ranging from 1 to 5 is used to measure responses, where:

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Each construct includes several questions in the questionnaire to provide a more comprehensive evaluation and enhance the validity and reliability of the answers.

Sample

The survey respondents are 168 employees working across industries such as information technology, manufacturing, and services. The sample consists of respondents representing different industries to expand the study's applicability across different settings.

The sample is also obtained through convenience sampling, in which participants are readily available and willing to provide their services. The sample size (n=168) is considered large enough to test statistical hypotheses, such as correlation, regression, and structural equation modelling.

Measurement Scale

The study comprises three key measures in the form of scales:

Training Effectiveness Scale

Evaluates quality, relevancy, frequency, and effectiveness of employee training.

Employee Performance Scale

Measures the productivity, performance, skill development, and efficiency of workers.

Organizational Success Scale

Evaluates the performance of the organization based on profitability, growth, innovation, and effectiveness.

The measurements of all items have been rephrased or reformulated to align with the research objectives and are measured on a five-point Likert scale.

Data Analysis Techniques

The data are statistically analysed to verify the hypotheses and test the research model.

Reliability Analysis (Cronbach’s Alpha)

Used to test reliability of the scales. It is recommended that Cronbach's alpha be 0.7.

Correlation Analysis

Tests were conducted to determine the connections between training, performance, and success.

Regression Analysis

It is used to test the proposed relationships and to evaluate the model fit. Direct relationships can be examined using regression analysis, and all relationships among the variables of the proposed HRM performance model can be tested.

Structural Model Equations

To test the hypothesized links among employee training, employee performance, and organizational performance, the structural equations below are specified.

$$Employee\ Performance = \beta_0 + \beta_1(Employee\ Training) + \varepsilon \quad (1)$$

Equation (1) is a test of the impact of $employee\ training$ on $employee\ performance$. It is applied to know whether training enhances employee productivity, skills, and effectiveness.

$$Organizational\ Success = \beta_0 + \beta_1(Employee\ Performance) + \varepsilon \quad (2)$$

Equation (2) is used to test the impact of $employee\ performance$ on the organizational performance. This helps determine whether an increase in employee performance contributes to organizational success in terms of growth, profitability, and innovation.

$$Organizational\ Success = \beta_0 + \beta_1(Employee\ Training) + \varepsilon \quad (3)$$

Equation (3) examines the direct effect of employee training on organizational success. This will reveal whether training is directly related to organizational performance.

$$Organizational\ Success = \beta_0 + \beta_1(Employee\ Training) + \beta_2(Employee\ Performance) + \varepsilon \quad (4)$$

The mediation equation is presented in equation (4), and according to it, both employee training and performance predict an organization's success. The model is used to compare how employee training affects organizational success with and without employee performance. When the coefficient for employee training (β_1) is smaller or equal to zero, and employee performance (β_2) is added to the model, it indicates mediation. Conversely, when the coefficients for employee training (1) and employee performance (2) were significant, it was found to be partially mediated, i.e., training directly and indirectly affects a company's performance (through employees).

Results And Analysis

Here, one will find the empirical findings of the research, including descriptive statistics, reliability tests, results from a correlation matrix, and regression/structural equation modelling. The objective of the analysis will be to confirm the HRM performance model and to test the hypotheses.

Descriptive Statistics

Table 1 presents the descriptive statistics for the variables tested in this research—employee training, employee performance, and organizational success.

Table 1: Descriptive Statistics of Study Variables

Variables	Mean	Std. Deviation	Minimum	Maximum
Employee Training	3.82	0.74	1.80	5.00
Employee Performance	3.76	0.69	2.00	5.00
Organizational Success	3.88	0.72	1.90	5.00

This shows that the mean values for all variables are reasonably high, indicating that respondents had positive attitudes toward the training effectiveness, employee performance, and success outcomes.

Reliability Analysis

Table 2 presents the reliability findings for the measurement scales, as measured using Cronbach's alpha.

Table 2: Reliability Analysis

Construct	Number of Items	Cronbach's Alpha
Employee Training	6	0.84
Employee Performance	5	0.86
Organizational Success	5	0.88

The variables are also reliable, with Cronbach's alpha coefficients exceeding 0.70, indicating good scale reliability.

Correlation Matrix

Table 3 presents the correlation analysis between the study variables.

Table 3: Correlation Matrix

Variables	Employee Training	Employee Performance	Organizational Success
Employee Training	1.00	0.68**	0.71**
Employee Performance	0.68**	1.00	0.75**
Organizational Success	0.71**	0.75**	1.00

The results indicate that all the variables have positive relationships. Employee training is positively associated with both employee and organizational performance.

Regression

To demonstrate the relationships that were postulated in the model, the regression model was tested. The following are the results:

- Employee Training significantly predicts Employee Performance ($\beta = 0.68$, $p < 0.01$)
- Employee Performance significantly predicts Organizational Success ($\beta = 0.75$, $p < 0.01$)
- Employee Training also directly influences Organizational Success ($\beta = 0.42$, $p < 0.01$)

The fact that employees' performance is incorporated into the model reduces the direct impact of training. However, the organization's success, the effect remains significant, suggesting partial mediation.

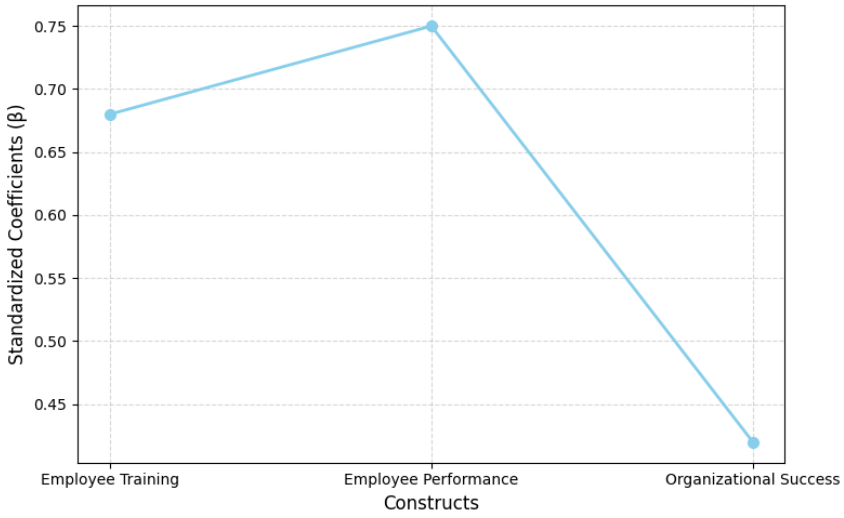


Fig. 2: Hypothesis Testing Results

Fig. 2 illustrates the results of hypothesis testing, presented as a line graph of the correlation between the variables in the study. The flow from employee training to employee performance to organizational success is plotted on the x-axis, and the β values of the paths are plotted on the y-axis. Fig. 2 shows that the slope between employee training and employee performance ($\beta = 0.68$) is gradual, whereas that between employee performance and organizational success ($\beta = 0.75$) is steep. The direct relationship between employee training and organizational success ($\beta = 0.42$) is somewhat smaller, graphically demonstrating the partial mediation of employee performance. Consequently, in fig. 2, one may note that employee training is more impactful on the organizational success through employee performance.

Discussion

This research has substantiated the proposed HRM performance model by demonstrating that employee training is a key determinant of both employee and organizational performance. The findings indicate that employee training positively and significantly affects employee performance, and that this can translate into improved organizational performance. Moreover, although the direct impact of employee training on organizational success is high, it is not as strong as the indirect impact through employee performance, suggesting partial mediation.

The results indicate that the quality of training programs can be gauged by their effects on employee performance, which, in turn, leads to organizational success. This implies that although training programs should be provided, it is also vital to ensure job- and organization-relevant. The mediation effect presented in the work supports the idea that employee performance is one of the key training channels that impact an organization's performance.

The findings are consistent with previous literature that emphasizes the importance of HRM practices in improving employee and organizational performance. Previous studies have shown that training enhances employees' skills, performance, and innovativeness, contributing to organizational success and growth. But contrary to the previous studies, which are inclined to concentrate on one of these aspects, this research combines them to provide a comprehensive perspective on the training-performance-success relationship.

Such a training-performance-success relationship is particularly relevant to modern organizations that must operate in a constantly changing environment, where employees must continually learn and improve their skills. Training enables employees to stay abreast of technological changes, boosting productivity and encouraging creativity. Hence, training-oriented organizations are more likely to succeed in the long run.

The study highlights strategic HRM practices. The training programs must align with the rest of the business, focusing on productivity, innovation, and sustainability. Training initiatives can be expected to deliver the best ROI by aligning HRM practices with organizational objectives. Therefore, organizations must adopt an integrated HRM perspective in which training, performance, and strategy are interrelated.

Implications

This study contributes to the HRM-performance literature by proposing and testing a model of HRM performance that incorporates employee training, employee performance, and organizational success. It widens theoretical knowledge by integrating different constructs rather than treating them in isolation.

It confirms the mediation model that employee training can influence organizational success through employee performance as an influential pathway. This provides a more accurate understanding of the mechanisms that underpin HRM's effectiveness and justifies the application of popular theories, such as human capital theory and the resource-based view.

Pragmatically, the research is informative to the HR managers and leaders. The study highlights the importance of effective training programs aligned with job and organizational objectives. HR managers should develop specialized training programs to reinforce the skills and competencies required to perform better.

Also, the findings are useful for strategic planning of HRM activities, as show that training investments are worth it for organizational success, particularly through employee performance. Organizations can use the model developed in this study to evaluate their training programs and HRM practices, thereby improving results.

Limitations and Future Research

Although this study has several strengths, it also has certain limitations. While the sample size (n=168) was sufficient for the current analysis, future research could benefit from larger, more diverse cohorts to enhance generalizability. Further studies would be helpful to incorporate bigger and more diverse samples to obtain more credible findings.

Second, the study employs a cross-sectional design, which limits causal inference from the findings. It is proposed that longitudinal designs can be used to determine how the effects of the training are likely to develop and influence the success of the organization in the long run.

Finally, other considerations can be made to enhance HRM performance, such as leadership, organizational culture, and technology adoption and use. Expanding the model to include these variables would be useful for gaining better insight into the relationships among training, performance, and organizational success.

Conclusion

This study has attempted to identify and validate an HRM performance model to determine how employee training, employee performance, and organizational success are related. The model is supported empirically by results. The statistical analysis shows that employee training positively affects employee performance ($\beta = 0.68$, $p < 0.01$), and that employee performance is positively associated with organizational success ($\beta = 0.75$, $p < 0.01$). In addition, organizational success is directly related to employee training ($\beta = 0.42$, $p < 0.01$), indicating partial mediation. The correlation results also support these conclusions, as all the variables are positively correlated (r values 0.68-0.75). These results emphasize that training programs are more effective when develop positive skills that ultimately impact organizational performance and achievement. This study emphasizes the importance of strategic HRM, particularly training, in achieving organizational objectives. An emphasis on a structured and targeted training program can result in increased productivity, innovation, and ultimately, success. Such a framework may be further extended by adding additional factors, such as leadership, culture, and technology implementation, and by using longitudinal studies to explore causal relationships.

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