

TRAINING PROGRAM BUDGETING AS A SYSTEMATIC APPROACH IN ENSURING  
EFFECTIVE EMPLOYEE DEVELOPMENT

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**Abstract:** Training spending is important for staff development. A structured strategy guarantees that money gets where it is most needed, which improves the organization's efficiency. Companies that prepare properly may ensure that training aligns with their aims, fostering learning and new ideas. This helps to focus resources where they are most valuable, allowing staff to perform better at their professions. Employee performance determines whether a company succeeds or fails. As a result, senior management recognized the value of investing in training and development to improve employee performance. This conceptual paper sought to investigate the impact of training on employee performance and development, as well as to make recommendations for how businesses might increase employee performance through effective training programs. This research study goes on to examine and comprehend the relevance, importance, and advantage of training to improve employee development through training and development programs, as well as its impact on employee performance. and, based on a review of the current evidence of such a relationship, makes recommendations to top management in the form of a checklist, appropriate for all businesses, to assess employee performance and determine the true cause(s) of the performance problem so that it can be resolved in a timely manner through the desired training program.

**Keywords:** Training, Employee performance, Development

INTRODUCTION

The ultimate goal of every training and development program is to increase the value of human resources. Any training and development initiative that does not offer value should be abandoned. Therefore, organizations should make staff training and development a constant effort. When employees notice their organization's interest in them by providing training programs, they use their best efforts to meet corporate goals and perform well on the job (Block *et al.*, 2016). Employees are a company's most precious asset since they have the capacity to create or ruin a company's reputation and negatively impact profits. They are frequently in charge of the majority of the required labor, as well as customer happiness and product and event quality. Employees, both new and present, do not obtain the information or develop the skill sets required to do their duties to the best of their abilities unless they are properly trained.

Employees who receive sufficient training are more likely to stay at their positions for extended periods of time (Lumley-Sapanski *et al.*, 2021). Training is essential in the job. Employees lack a clear understanding of their obligations or tasks in the absence of this. Previous study has shown that training programs improve employee and organizational performance. On the one hand, earlier research in the subject demonstrated that successful training programs result in higher returns on investment, yet other studies indicated the beneficial influence of training in achieving the highest levels of staff retention (Colarelli and Montei, 1996; Becker, 1993). Because of the rapid rate of global and technological growth, businesses are currently experiencing new developments and problems.

Technological improvements have shaped the requirement for the talents and competences necessary to execute specific activities (Trilling and Fadel *et al.*, 2012). To address these difficulties, all corporations must develop and implement more effective training programs. Effective training programs serve to create a more favorable learning environment for the workforce and prepare them to deal with impending issues more quickly and on schedule (Akour and Alenezi *et al.*, 2022). Effective training programs assist employees in becoming acquainted with the

desired new technology innovation while also getting a complete command of the competencies and abilities necessary to do a certain job and avoiding job faults and blunders. One of the most essential roles of human resource management is staff development through appropriate training and development programs. Employee development refers to the development of an employee's capacity and competence, as well as that of the entire company, in order to fulfill the standard performance level (Diamantidis and Chatzoglou *et al.*, 2019). Employee development leads to increased work satisfaction, which increases company productivity and profitability (Mohammed and Gana *et al.*, 2022). In today's ever-changing business world, firms are always challenged to stay ahead of the curve. The ability to adapt and innovate in an ever-changing environment is critical to their success. At the heart of this flexibility is their workforce's ongoing growth and development. Strategic resource allocation through training program budgeting is critical for promoting this expansion. This critical procedure serves as the foundation for executing successful staff development programs. In this article, we will dig into the significant significance of training program budgeting, emphasize the need of using a systematic approach when budgeting for training initiatives, and explain the numerous benefits it provides to both individuals and businesses.

## Significance of Training Program Budgeting

Budgeting for training programs is a critical component of organizational growth, with far-reaching consequences for developing a trained workforce, achieving strategic goals, and maintaining a competitive edge in an ever-changing marketplace. Its relevance extends beyond money allocation to strategic foresight, operational efficiency, and human capital management.

### 1. Strategic Alignment

At its basis, training program budgeting functions as a conduit for translating company goals into concrete projects. Organizations demonstrate their commitment to developing people, promoting innovation, and driving long-term success by aligning training expenditures with overall strategic objectives. Training program budgeting ensures that investments are directed towards areas that yield the highest return on investment and propel the organization towards its desired future state, whether it's upskilling employees to embrace emerging technologies, providing sales teams with the most up-to-date market insights, or cultivating leadership capabilities among managerial ranks.

### 2. Human Capital Development

In an era defined by knowledge-based economy and fast technological innovation, the currency of competitive advantage is not tangible assets, but rather the aggregate talents of the workforce (Nuccio and Mogno *et al.*, 2023). Training program budgeting facilitates human capital development by allowing employees to learn new skills, broaden their knowledge base, and adapt to changing job positions. Organizations that engage in employee development programs foster a culture of continuous learning in which employees are encouraged to pursue excellence, take on new challenges, and forge their own path to professional success (Dachner *et al.*, 2021). Furthermore, by providing organized training programs, mentoring opportunities, and career promotion paths, firms promote employee engagement, retention, and loyalty, lowering turnover costs and conserving institutional knowledge.

### 3. Operational Excellence

Budgeting for training programs is critical for achieving operational excellence and organizational resilience, in addition to talent development (Madi Odeh *et al.*, 2023). Organizations may increase staff productivity, optimize business processes, and reduce operational risks by detecting skill gaps, performance flaws, and training requirements across many functional areas. Whether it's implementing new safety protocols to improve workplace safety, optimizing customer service training to increase customer satisfaction, or improving compliance training to reduce regulatory risks, training program budgeting allows organizations to address operational challenges proactively, adapt to changing market dynamics, and seize emerging opportunities.

## 4. Innovation and Adaptation

In today's dynamic business environment, which is defined by disruptive technology and altering customer tastes, agility and flexibility are critical. Budgeting for training programs fosters creativity and flexibility, allowing firms to predict future skill requirements, experiment with novel learning approaches, and pivot in reaction to changing trends (Mindell and Reynolds *et al.*, 2023). Organizations that engage in cross-functional training programs, multidisciplinary collaborations, and experiential learning opportunities build a culture of innovation, experimentation, and continual development.

## 5. Measurable Impact

Importantly, training program budgeting allows firms to track the effectiveness of their investments in human capital development and learning efforts. Clear performance metrics, key performance indicators, and assessment criteria may help firms analyze the efficacy of training programs, identify areas for development, and make data-driven choices (Bagherian *et al.*, 2024). Whether measuring employee performance indicators, monitoring skill acquisition rates, or performing post-training assessments, firms may quantify the return on investment of their training expenditures, justify budget allocations, and optimize resource allocation for optimal impact.

## IMPORTANCE OF THE SYSTEMATIC APPROACH ON TRAINING PROGRAMS

Training is a vital and necessary tool for organizations to improve the performance of all employees in order to achieve organizational growth and success (Karim *et al.*, 2019). It benefits both employers and employees inside a company. Employees that are properly taught become more effective and productive. Firms may improve the quality of their present staff by offering extensive training and development. Training is crucial not just for increasing production, but also for motivating and inspiring employees by informing them of the importance of their professions and providing them with all of the knowledge they require to do them. Employee training provides the following general benefits: increased job satisfaction and morale, increased motivation, increased process efficiencies that result in financial gains, increased capacity to adopt new technologies and methods, increased innovation in strategies and products, and reduced employee turnover.

Employee training and development programs are critical in improving work satisfaction, productivity, and employee retention (Alrazehi *et al.*, 2021). Organizations that provide chances for learning and growth empower their workers with new skills and knowledge, opening the route for professional advancement within the firm.

### 1. Addressing Performance Gaps

It is typical for individual employees to face difficulties in various aspects of their performance. Implementing training and development may effectively address and correct these flaws, resulting in better overall performance (Elnaga and Imran *et al.*, 2013). Organizations may personalize training programs to employees' particular requirements by identifying specific areas for growth, resulting in a more trained and competent workforce.

### 2. Optimizing Workforce Potential

Regular training and development programs enable employees to strengthen their deficiencies while also learning new skills and information (Dixit and Sinha *et al.*, 2020). As a consequence, their total performance is improved, which benefits both individuals and the business. Skill development improves not just individual talents but also the overall competency of the workforce, resulting in enhanced production and efficiency.

### 3. Ensure Employee Satisfaction

Employees feel more pleased when their company invests strategically in their growth and training. Workers are more engaged and motivated in their work when they believe their employer is devoted to their personal and professional development (Dachner *et al.*, 2021). However, for the program to be effective, it must be personalized to the employees' individual requirements, ensuring that the information obtained can be easily used in the workplace.

## 4. Enhancing Organizational Productivity

In today's constantly evolving surroundings, an organization's productivity is significantly dependent on the skill set of its personnel. Training and development programs allow staff to stay current and learn new skills, which boosts the organization's productivity (Nguyen *et al.*, 2020). Businesses may remain ahead of the competition by giving staff with the tools and information they need to adapt to changing market challenges and expectations.

## 5. Cultivating Self-Motivated Employees

Participating in thorough training and development sessions prepares individuals to tackle workplace difficulties on their own, lessening their dependency on continual supervision and assistance (Hawkins and McMahon *et al.*, 2020). This self-motivation developed via training improves individual and team performance, resulting in a more efficient and self-sufficient workforce. Furthermore, self-motivated individuals frequently take a proactive approach to their employment, seeking continual development and taking the initiative to positively contribute to the organization's objectives.

## EFFECT OF TRAINING ON EMPLOYEE PERFORMANCE AND DEVELOPMENT

Training is essential for developing employees' abilities and advancing their careers. It provides as a base for improving work performance and driving individuals toward their professional objectives, as well as the key to assisting employees in performing better and growing within their professions. It equips people with the skills and knowledge required to accomplish their professions efficiently. Whether it's learning how to utilize new technologies or developing communication skills, training helps people become better at their jobs.

Employee performance and development, as achieved through training, refers to immediate improvements in the knowledge, skills, and abilities to carry out job-related work, resulting in increased employee commitment to organizational goals (Ameen and Baharom *et al.*, 2019). It is all about employee performance in a firm, company, or organization. It also includes all variables that have an impact on and connect to employees' job, whether directly or indirectly.

Workers get training that gives them with the information and skills they need to succeed in their jobs. Whether it's learning new software applications or increasing customer service skills, training provides employees with the tools they need to accomplish their jobs effectively and efficiently.

By learning new skills, employees can face difficulties with confidence and contribute more effectively to the success of their teams and the business as a whole (Bougie *et al.*, 2019). Training acts as a catalyst for personal and professional development. It allows employees to widen their horizons, increase their knowledge, and pursue new interests.

Employees may improve their problem-solving talents, gain specialized skills, and keep current with industry trends by participating in training programs (Moldoveanu *et al.*, 2019). This not only increases their worth inside the organization, but also positions them for promotion and career growth.

Furthermore, training promotes a culture of ongoing learning and development in the company. When employees are given access to training opportunities, they feel supported and appreciated by their business. This leads to increased motivation, engagement, and work satisfaction. Employees who feel valued by their employer are more likely to be dedicated to their jobs and contribute positively to team dynamics.

Training also helps to increase staff retention and loyalty. Employees who obtain training and development opportunities are more likely to feel happy in their positions and invested in their long-term career advancement. This lowers turnover rates and helps firms retain outstanding staff, eventually adding to their overall performance and market competitiveness.

Performance is classified into five elements: Planning, monitoring, developing, rating and rewarding.

1. During the planning phase, Planning includes identifying goals, devising strategies, and specifying activities and timelines to achieve those goals.
2. Monitoring assesses progress towards goals. Monitoring is constantly monitoring performance and providing continual feedback to individuals and work groups on their progress toward achieving their goals. Ongoing monitoring allows you to examine how well personnel are achieving specified criteria and make modifications to unrealistic or troublesome ones.
3. throughout the developing stage, employees are expected to improve any bad performance seen throughout their time at the organization. Performance flaws become apparent during work planning and monitoring and can be rectified.
4. The ranking aims to describe employee performance. This might be useful for tracking and comparing performance over time or across different personnel. Organizations must understand who their top achievers are at the end of the cycle's rewarding stage. This stage is aimed to reward and acknowledge extraordinary conduct, such as that which exceeds expectations.

## **BENEFITS OF A SYSTEMATIC APPROACH ON EMPLOYEE DEVELOPMENT**

Employers when diligently and regularly implemented for their employees. A consistent training program can bring various benefits to an organization in several ways.

### **1. Enhanced Performance**

Employees receive frequent training, which not only improves their professional abilities and knowledge, but also develops their confidence in using their gifts (Elnaga *et al.*, 2013). As a consequence, their performance increases, allowing them to function more effectively and productively in the job. This cycle of continuous learning promotes a trained and engaged staff, which adds to the organization's overall success.

### **2. Standardized Processes**

When staff members in a business receive training, work procedures become more standardized. As a result, employees may adapt and implement the same working practices that they learnt during the training session. Furthermore, consistent work practices promote a cohesive and efficient workplace, resulting in enhanced cooperation and better overall organizational performance (Osborne and Hammoud *et al.*, 2017).

### **3. Organizational Growth**

An effective training system helps employees learn step by step, giving them confidence and motivation to study (Ginting *et al.*, 2022). It motivates individuals to take control of their own education and continually improve. Employees feel more confident and perform better at work when programs are well-organized and resources are readily available. This learning culture also allows them to readily adapt to changes and obstacles. Companies that spend in training demonstrate that they care about their employees, which keeps them happy and loyal. All of this contributes to corporate success and keeping competitive.

### **4. Policy Awareness**

A solid training program enables employees to comprehend the company's beliefs, policies, goals, and plans (Salas *et al.*, 2012). Workers who are aware of these facts feel more connected to the organization and are more inclined to remain there. This sort of instruction motivates students to work more and do better. It also contributes to a positive and friendly work atmosphere in which everyone feels respected. So, investing in training is a wise decision for any firm looking to flourish in the long run.



## 5. Improved Client Satisfaction

When employees receive frequent training, their job skills improve, and they perform more professionally and successfully. Customers will notice a change in service quality, which will improve their opinion of the firm. Improved customer satisfaction and favorable word-of-mouth referrals can result in enhanced customer loyalty and a better market position for the firm. As employees' abilities and knowledge develop via regular training, the firm acquires a competitive advantage, accelerating its growth and success in the marketplace (Azeem *et al.*, 2021).

## 6. Adopting Advanced Technologies

Introducing staff to cutting-edge technology improves an organization's efficiency and productivity (Olan *et al.*, 2022). This adaptation to contemporary tools helps the organization to efficiently address current difficulties while outperforming rivals. Furthermore, it fosters a culture of creativity and advancement, setting the path for ongoing innovation. This method not only secures the organization's market position, but also assures long-term growth and survival. Thus, embracing technological innovations is critical to success in today's ever-changing corporate scene.

## 7. Development of Future Leaders

Building a pool of talented leaders might begin with hiring new talent or elevating current personnel (Isson *et al.*, 2016). Organizations may cultivate future leaders from inside by implementing leadership development activities, decreasing the need to recruit from outside sources. They may prepare individuals for leadership roles by investing in training and mentorship initiatives. This method promotes loyalty and a better grasp of business culture, resulting in a more unified and successful leadership team.

## RECOMMENDATION

Organizations may take a number of practical actions to overcome the complexity of funding training programs. First, they should prioritize training efforts that directly contribute to business objectives, ensuring that resources are deployed where they can have the greatest impact. Second, they should use technology to make training more interesting and accessible, whether through online courses, virtual reality simulations, or mobile learning apps. Finally, they should build a culture of constant feedback and growth, encouraging people to share their learning experiences and recommend ways to improve.

## CONCLUSION

In wrapping up, training program budgeting is critical for businesses seeking to succeed in today's rapidly changing environment. Businesses may bring out the most in their staff by implementing a sensible employee development strategy, resulting in fresh ideas, better work, and consistent progress. As we continue on this road of transition, let us remain focused on helping our employees grow, maintaining a culture of continuous learning, and ensuring that our organizations are strong, adaptable, and prepared for whatever the future brings.

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