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**A STUDY ON THE CONTRIBUTION OF HUMAN RESOURCE
DEVELOPMENT STRATEGIES TO SUSTAINABLE
DEVELOPMENT OF THE SME SECTOR IN SRI LANKA**



DISSERTATION

SUBMITTED BY

KODAGODA GAMAGE GANGA SAJEEWANI KARUNATHILAKA

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ABSTRACT

The core strength of any organization comes from its employees. To develop and strengthen them will lead to a solid foundation for the organization's future. An organization depends on them for its success. Many researchers believe that for organizations to maintain a competitive advantage they must focus on enhancing performance through a process of continual development of employees. Human Resource Development (HRD) is essentially a business- led approach to developing people within a strategic framework. Strategic HRD takes a broad and long- term view about how HRD policies and practices can support the achievement of business's goals regardless of what the size of the business is. This research aims to study contribution of HRD strategies to sustainable development of the SME sector.

The conceptual framework is formulated based on the research problem, "Are Human Resource Development strategies effective to retain the staff in order to achieve sustainable development of the SME sector in Sri Lanka?". The key variables of the study are HRD strategies (training & development and performance management), HRD effective variables (competency, commitment and job satisfaction), interviewing variable (level of retention) and sustainable variables (organizational profitability and growth) and based on the conceptual framework of which the four hypotheses are formulated.

The methodology adopted for this study involves, reviewing existing literature related to the research theme and primary data. Primary data have been collected through structured questionnaires and personnel interviews. The questionnaire survey conducted through the sample of seventy five (75) entrepreneurs and three hundred employees (300) related to the SME sector. Data stratified according to size of the SME whether it is small and medium depend on the definition of SME, explained by the review of literature. These statistical methods, chi-square test and correlation coefficient are applied for data analyzing purposes.

The findings indicate, the effectiveness of the HRD strategies and levels of retention that have positive relationship and also the higher the degree of effectiveness of the HRD strategies, the higher will be the sustainable development of the SME sector.

Based on the findings, the conclusion is that; the sustainable development can be achieved through the better practicing of HRD strategies.

