

Sustainable Development of SMEs: The Role of Human Resource Development Strategies in It

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Abstract

The core strength of any organization comes from its employees. Developing and strengthening them will lead to a solid foundation for the future on which the competitive advantage can be developed for sustainability. This paper looks in to the role of HRD in small and medium scale enterprises in Sri Lanka for their sustainable development. Seventy five (75) entrepreneurs and three hundred (300) of their employees were selected as the sample and data was collected through the questionnaire developed by the researchers. Hypotheses were formulated based on the conceptual model developed by the researchers and data was analyzed to test the hypotheses using correlation analysis and Chi-Square test. It was found that the effective implementation of HRD strategies will improve the level of competency, job satisfaction and commitment of skilled employees. The higher level of HRD outcome variables improves the retention of skilled employees of SMEs resulting in the sustainable development of in long run.

Key words: Human resource development, Employee retention, Performance, Job satisfaction, Commitment, Sustainability of SMEs.