

THE NEED OF HUMAN RESOURCE DEVELOPMENT FOR IMPROVING LABOR PRODUCTIVITY: AN ANALYSIS OF MANUFACTURING SMALL BUSINESSES IN BADULLA DISTRICT

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ABSTRACT

Human Resource Development (HRD) is pivotal for business growth and efficiency, especially in the manufacturing sector. Paradoxically, many small- and medium-sized businesses in Sri Lanka have closed over the past few years, with the rate of new firms entering the market declining. More importantly, the high failure rate of small enterprises may be attributed to their failure to embrace human resource development practices. The present study explores the need for HRD practices in small businesses in the Badulla district. The study was conducted using a sample of 20 employees from a small manufacturing industry in Badulla district, selected through simple random sampling. The data were analyzed using qualitative content analysis. The findings indicated several challenges, including a lack of career development opportunities, a skills gap, insufficient HRD interventions, the need for mentorship and support, and conflicts between work-life balance and family. To address these challenges, this study suggests implementing HRD strategies, such as training and development programs for employees, employee motivation programs, flexibility in work arrangements, workforce planning, and talent management. Human resource development practices are crucial for enhancing labor productivity; however, most small manufacturing firms do not focus on HRD. This study bridges the practical gap between HRD and labor productivity. According to this study's suggestions, these businesses can enhance their productivity, competitive advantage, and employee performance.

Keywords: Employee Motivation; Employee Performance; Human Resource Development; Manufacturing Industry; Small Businesses