

**THE IMPACT OF HUMAN RESOURCE DEVELOPMENT PRACTICES AND
EMPLOYEE COMPETENCIES IN BANKING SECTOR IN NUWARA ELIYA
DISTRICT, SRI LANKA**



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ABSTRACT

This study investigates the impact of Human Resource Development (HRD) practices and employee competencies in the banking sector in the Nuwara Eliya District, Sri Lanka. The research is motivated by the growing emphasis on enhancing employee competencies as a strategic approach to improving service quality and competitiveness within the financial industry. A quantitative research design was adopted, utilizing a structured self-administered questionnaire to collect data from a sample of 260 employees across five leading commercial banks operating in the district.

The study focuses on two core HRD practices training and career development and examines their influence on the development of employee knowledge, skills, and attitudes. Employee competencies are measured through indicators such as task performance, problem-solving ability, and adaptability. Descriptive analysis reveals that employees generally perceive a high level of HRD practices within their organizations. Bivariate analysis using Pearson correlation indicates a strong positive relationship between training, career development, and employee competencies. Furthermore, simple linear regression analysis demonstrates that both training and career development significantly and positively influence employee competencies, highlighting their critical role in workforce development. This research contributes to the broader understanding of HRD practices in the Sri Lankan banking sector and underscores their importance in driving employee performance and organizational success.

The implications of this study extend to both academic and practical domains. From a practical standpoint, the results suggest that banks should prioritize structured training programs and long-term career development plans to enhance employee competencies and ensure sustainable organizational growth. Academically, the study contributes to the existing literature by bridging the gap between HRD practices and employee competency development in the context of the Sri Lankan banking sector, which has received limited attention in empirical research. The findings offer a foundation for future studies to explore other HRD dimensions, such as performance banking and organizational learning, and their effects on employee and organizational outcomes.

Keywords: Human Resource Development, Training, Career Development, Employee Competencies.

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