

## **A Comparative Analysis of Human Resource Practices in Selected Industrial Sectors of Gujarat**

Hussein Faris Abdulhussein<sup>1</sup>, Hemal Pandya<sup>2</sup>

<sup>1</sup>PhD Research Scholar, Gujrat University, Department of Commerce, Ahmedabad, India

<sup>2</sup>Gujrat University, Department of Commerce, Ahmedabad, India

Email: [husseinfaris993@gmail.com](mailto:husseinfaris993@gmail.com)

Received: June 11, 2025

Revised: July 19, 2025

Accepted: August 5, 2025

### **Abstract**

This study compares HR practices across six key industrial sectors in Gujarat using data from 315 HR professionals and employees. Primary and secondary data were collected through questionnaires, interviews, and reports. The analysis focused on areas like training, appraisal, compensation, work environment, feedback, career growth, and inclusion. ANOVA results show significant differences across sectors ( $p < 0.05$ ), with FMCG and Manufacturing performing best, while Finance and Healthcare lag in several areas. The study highlights sector-specific strengths and gaps, offering insights to improve HR effectiveness and employee satisfaction.

**Keywords:** Significant, Healthcare, Effectiveness

### **Introduction**

Human Resource practices play a pivotal role in shaping organizational performance, especially within the dynamic and diverse industrial landscape of Gujarat (Po et al., 2024; Trivedi, 2018). The state, known for its robust industrial development in sectors such as textiles, chemicals, pharmaceuticals, engineering, and automobiles, provides a fertile ground for examining the variations in HR strategies across industries.

### **Literature Review**

Recent studies suggest that sector-specific factors such as technology adoption, regulatory frameworks, labor intensity, and competitive pressures significantly influence the nature and extent of HR practices implemented (Theodorsson, 2025; Dolata, 2009; Patel & Cardon, 2010). For example, the pharmaceutical and engineering sectors in Gujarat tend to focus more on structured training programs, performance-linked incentives, and workforce development, reflecting their need for high-skilled labor and compliance with global standards (Latukha, 2016).

In contrast, traditional sectors like textiles and MSMEs (Micro, Small, and Medium Enterprises) are often characterized by informal HR practices, limited employee engagement strategies, and minimal investment in human capital development (Albrecht et al., 2015; Ghosh et al., 2019). These disparities highlight the importance of contextual factors in shaping HR policy design and implementation.

A comparative approach to HRM also underscores differences in talent acquisition, retention, performance appraisal, compensation management, and employee welfare schemes. For instance, a study by Bhati (2024) found that while larger industrial players in Gujarat increasingly adopt data-driven HR analytics and digital onboarding processes, small-scale industries continue to rely on traditional recruitment channels and paper-based systems.

Moreover, the rise of Industry 4.0 and digital transformation is prompting companies in Gujarat to realign their HR strategies with new skill requirements, workforce automation, and continuous learning paradigms (Talan, 2025). This is especially evident in the automobile and engineering sectors, which are integrating HR with strategic business goals through performance-based metrics, employee upskilling, and AI-driven HR tools.

the impact of government policies such as "Make in India," "Skill India," and state-level industrial promotion schemes has been significant in shaping HR frameworks in Gujarat. These initiatives have pushed organizations to formalize employment, invest in skill development, and improve compliance with labor laws (Fine & Gordon, 2010). The comparative study by Sudha & Vardhini (2024) identified that engineering and pharmaceutical sectors in Gujarat exhibit more structured and strategic HR practices, such as competency mapping, digital recruitment platforms, and continuous training programs. These sectors are increasingly aligning HR functions with global quality standards and compliance requirements, driven by exports and international collaborations. The influence of state and central government schemes has also been significant. Gujarat's Industrial Policy 2020 (extended into 2025) and programs like Skill India and Digital Gujarat have pushed firms especially in semi-urban and industrial clusters like Sanand, Vapi, and Morbi to formalize HR practices and invest in employee training and development.

The role of technology in HRM has become more prominent post-COVID. Found that over 60% of medium-to-large industrial units in Gujarat adopted cloud-based HRMS (Human Resource Management Systems) by 2024. These tools have improved employee onboarding, payroll accuracy, performance monitoring, and remote workforce management. Sectors such as IT services, engineering design, and pharmaceuticals have led this transition. In contrast, textiles and MSME sectors have shown slower adoption of modern HR practices. According to Sheehan (2014), many small and medium enterprises still rely on informal recruitment methods, lack performance evaluation systems, and provide limited employee benefits. These gaps have affected talent retention and employee motivation in such firms.

Another important trend in 2025 is the shift toward employee-centric HR policies, particularly in companies targeting Gen Z and millennial employees. Rawat & Gupta (2025) noted that companies in Gujarat's automobile and manufacturing sectors are increasingly focusing on employee well-being programs, flexible work schedules, mental health support, and diversity and inclusion initiatives as key drivers of employee engagement. The comparative studies in 2025 reveal that firms with proactive HR strategies outperform their counterparts in terms of employee retention, productivity, and innovation. Devi et al. (2025) found that employee engagement and organizational performance were significantly higher in engineering firms that adopted AI-powered HR analytics, as compared to traditional textile units.

## **Research Gap**

While recent studies have examined HR practices in various industrial sectors of Gujarat, there is a lack of comparative analysis that systematically evaluates these practices across sectors within a unified framework. Most existing research focuses on individual sectors or large enterprises, leaving a gap in understanding how HR strategies differ between sectors like engineering, pharmaceuticals, textiles, and MSMEs, especially in terms of digital adoption, employee engagement, and policy implementation. This study aims to fill that gap by providing a sector-wise comparison of HR practices in Gujarat.

## **Methods**

The study used a comparative design with purposive sampling of key industrial sectors in Gujarat. Data was collected from HR managers and employees through questionnaires and

interviews. Secondary data came from reports and publications. Basic statistical tools were used for analysis.

### Objectives of the Study

To examine the existing human resource (HR) practices in selected industrial sectors of Gujarat. To compare HR practices across different industrial sectors such Finance and Banking, IT and Software, Manufacturing, FMCG, Retail and Healthcare. To identify sector-wise strengths and gaps in HR policy implementation.

### Hypotheses for the Study

Null Hypothesis (H0): There is no significant difference in the perception of HR practice across the selected industrial sectors of Gujarat.

Alternative Hypothesis (H1): There is a significant difference in the perception of specific HR practice across the selected industrial sectors of Gujarat.

### Period of the Study

The data collection was conducted in 2025, and accordingly, the study period is defined as the year 2025.

### Functional Scope

Recruitment and selection help organizations hire the right talent. Training and development improve employee skills and performance. Performance appraisal evaluates work and supports growth. Compensation and benefits motivate employees through fair pay and rewards. Employee relations maintain a positive work environment. Retention and motivation strategies reduce turnover and keep employees engaged.

### Geographical Scope:

The study is limited to the state of Gujarat, covering key industrial cities like Ahmedabad, Vadodara, Surat, Rajkot, and Gandhinagar

### Selection of Samples

The study included a purposive sample of 4–5 major industrial sectors in Gujarat. From each sector, 3–5 leading companies were selected. HR managers and employees were chosen using stratified random sampling for surveys and interviews.

### Data Collection

The study used both primary and secondary data. Primary data was gathered through questionnaires, interviews, and group discussions with HR staff and employees. Secondary data came from company reports, HR manuals, industry publications, government records, and past research.

### Data Analysis and Interpretation

Table 1. Gender and Sector

		Industry Sector						Total
		Finance and Banking	IT and Software	Manufacturing	(FMCG)	Retail	Healthcare	
Gender	Male	24	40	54	27	8	5	158
	Female	19	26	55	42	12	3	157
Total		43	66	109	69	20	8	315

The table shows responses from 315 individuals (158 males, 157 females) across six sectors: Manufacturing (109), IT and Software (66), FMCG (69), Finance and Banking (43), Retail (20), and Healthcare (8). Males dominate in all sectors except FMCG and Retail, where females are more. Manufacturing has the highest participation for both genders. The data provides a balanced gender and sectoral distribution for HR practice comparison.

Table 2. Employee Training and Development Programs are Regularly Conducted

		<b>2. Employee training and development programs are regularly conducted.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	27	6	10	0	43
	IT and Software	20	8	31	7	66
	Manufacturing	17	12	68	12	109
	Fast Moving Consumer Goods (FMCG)	3	7	47	12	69
	Retail	2	5	8	5	20
	Healthcare	3	2	2	1	8
Total		72	40	166	37	315

The table shows that most employees (64.4%) believe training programs are regularly conducted, with FMCG and Manufacturing leading in positive responses. However, sectors like Finance and Healthcare show low satisfaction, indicating uneven training efforts across industries and a need for improvement in specific areas.

Table 3. Performance Appraisal Systems are Fair and Transparent

		<b>3. Performance appraisal systems are fair and transparent.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	6	16	6	15	43
	IT and Software	6	18	17	25	66
	Manufacturing	7	16	29	57	109
	Fast Moving Consumer Goods (FMCG)	3	6	24	36	69
	Retail	3	2	10	5	20
	Healthcare	1	1	4	2	8
Total		26	59	90	140	315

The Table shows that 73% of respondents view performance appraisal systems as fair and transparent, with FMCG (87%) and Manufacturing (79.8%) leading in positive responses. IT & Software and Retail also reflect good satisfaction levels, while Finance & Banking shows mixed views, with a high neutral response (37.2%). Despite smaller samples, Healthcare and Retail report moderate satisfaction. Overall, performance appraisals are generally well-regarded across sectors, especially in those already strong in HR practices.

Table 4. Compensation and Benefits are Competitive and Align with Industry Standards

		<b>4. Compensation and benefits are competitive and align with industry standards.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	14	7	11	11	43
	IT and Software	5	15	31	15	66
	Manufacturing	10	16	39	44	109
	Fast Moving Consumer Goods (FMCG)	2	5	28	34	69
	Retail	2	3	6	9	20
	Healthcare	3	1	1	3	8
<b>Total</b>		<b>36</b>	<b>47</b>	<b>116</b>	<b>116</b>	<b>315</b>

The table shows 73.6% overall satisfaction with compensation and benefits, led by FMCG (89.8%) and Manufacturing (76.1%). IT and Retail show moderate positivity, while Finance and Healthcare reflect lower satisfaction, indicating room for improvement in aligning pay with industry standards.

Table 5. Our Company Promotes a Positive Work Environment and Culture

		<b>5. Our company promotes a positive work environment and culture.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	9	15	10	9	43
	IT and Software	4	10	33	19	66
	Manufacturing	10	13	59	27	109
	Fast Moving Consumer Goods (FMCG)	2	8	40	19	69
	Retail	3	4	8	5	20
	Healthcare	1	1	5	1	8
<b>Total</b>		<b>29</b>	<b>51</b>	<b>155</b>	<b>80</b>	<b>315</b>

The Table shows Around 75% of employees across sectors agree that their companies promote a positive work environment, with FMCG (85.5%) and Manufacturing (79.8%) showing the strongest approval. IT & Software also reports high positivity (78.8%), while Retail and Healthcare have moderate satisfaction despite smaller samples. Finance and Banking lags behind, with only 44.2% agreeing and a high neutral response, indicating mixed experiences and a need for better workplace culture. Overall, most sectors foster a positive culture, but Finance stands out as an area needing focus.

Table 6. Employee Feedback Is Regularly Sought and Acted Upon

		<b>6. Employee feedback is regularly sought and acted upon.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	

Industry Sector	Finance and Banking	8	17	7	11	43
	IT and Software	3	16	27	20	66
	Manufacturing	11	14	36	48	109
	Fast Moving Consumer Goods (FMCG)	1	11	23	34	69
	Retail	2	5	7	6	20
	Healthcare	3	2	1	2	8
Total		28	65	101	121	315

The table shows around 70.5% of employees agree that their feedback is regularly sought and acted upon, highlighting strong practices in Manufacturing (77.1%) and FMCG (82.6%). IT & Software also shows positive engagement (70%), while Finance and Banking lags with only 41.9% agreement and a large neutral group, suggesting inconsistency in how feedback is handled. Retail and Healthcare show moderate positivity despite smaller samples. Overall, most sectors value employee input, but Finance needs to enhance communication and responsiveness to improve employee trust and involvement.

Table 7. There is a Clear Career Progression Path for Employees

		7. There is a clear career progression path for employees.				Total
		Disagree	Neutral	Agree	Strongly Agree	
Industry Sector	Finance and Banking	13	15	8	7	43
	IT and Software	8	12	23	23	66
	Manufacturing	9	22	47	31	109
	Fast Moving Consumer Goods (FMCG)	3	4	42	20	69
	Retail	2	3	10	5	20
	Healthcare	0	2	3	3	8
Total		35	58	133	89	315

The table shows 70% of employees see a clear career progression path, with FMCG (89.8%) and Manufacturing (70.6%) leading. IT also shows positive views (69.7%), while Finance and Banking has lower satisfaction (34.9%) and a high neutral response, indicating uncertainty. Retail and Healthcare report moderate positivity despite smaller samples. Overall, career growth is clear in most sectors but needs improvement in Finance.

Table 8. Our HR Policies are Aligned with Our Company's Strategic Goals

		8. Our HR policies are aligned with our company's strategic goals.				Total
		Disagree	Neutral	Agree	Strongly Agree	
Industry Sector	Finance and Banking	10	14	8	11	43
	IT and Software	8	18	29	11	66
	Manufacturing	11	16	44	38	109

	Fast Moving Consumer Goods (FMCG)	1	5	27	36	69
	Retail	4	2	8	6	20
	Healthcare	1	1	2	4	8
	Total	35	56	118	106	315

The table shows 72% of employees feel HR policies align with company goals, with FMCG (90.6%) and Manufacturing (74.3%) showing strong agreement. IT has moderate positivity (60.6%), while Finance and Banking shows mixed views with high neutral responses. Retail and Healthcare report good satisfaction despite smaller samples. Overall, most sectors see HR as strategically aligned, but Finance needs more clarity and focus.

Table 9. Diversity and Inclusion are Integral Parts of Our HR Practices

		<b>9. Diversity and inclusion are integral parts of our HR practices.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	12	9	14	8	43
	IT and Software	13	10	24	19	66
	Manufacturing	14	12	52	31	109
	Fast Moving Consumer Goods (FMCG)	4	5	38	22	69
	Retail	2	4	10	4	20
	Healthcare	1	2	3	2	8
Total		46	42	141	86	315

The table shows 72% of employees agree that diversity and inclusion are integral to HR practices, led by FMCG (87%) and Manufacturing (75.2%). IT shows moderate positivity (66.7%), while Finance and Banking has mixed responses with a notable 27.9% disagreement. Retail and Healthcare report good satisfaction despite smaller samples. Overall, most sectors embrace diversity, but Finance needs to strengthen inclusion efforts.

Table 10. HR Practices in Our Company Positively Impact Employee Morale and Motivation

		<b>10. HR practices in our company positively impact employee morale and motivation.</b>				<b>Total</b>
		<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	
Industry Sector	Finance and Banking	14	18	5	6	43
	IT and Software	6	20	25	15	66
	Manufacturing	6	25	45	33	109
	Fast Moving Consumer Goods (FMCG)	1	7	31	30	69
	Retail	0	7	4	9	20
	Healthcare	1	2	3	2	8
Total		28	79	113	95	315

The above table 66% of employees agree or strongly agree that HR practices positively impact morale and motivation. FMCG leads with 89%, Manufacturing follows with 70.6%, and IT has 60.6% positive responses. Finance and Banking shows the lowest positivity at 25.6%, with many neutral or disagreeing. Retail and Healthcare have smaller samples but mostly positive views.

### Hypothesis Testing

Table 11. ANOVA Results for Perceptions of HR Practices Across Industry Sectors

Statement	F-value	Sig. (p-value)	Decision on H0	Interpretation
2. Employee training and development programs are regularly conducted	15.079	0	Reject H0	Significant differences exist between groups regarding training programs.
3. Performance appraisal systems are fair and transparent	3.766	0.003	Reject H0	Groups differ significantly in perceptions of appraisal fairness.
4. Compensation and benefits are competitive and align with industry standards	5.894	0	Reject H0	Compensation perceptions differ significantly among groups.
5. Our company promotes a positive work environment and culture	3.623	0.003	Reject H0	There is a significant difference in views on work environment across groups.
6. Employee feedback is regularly sought and acted upon	5.408	0	Reject H0	Significant group differences in perception of employee feedback practices.
7. There is a clear career progression path for employees	5.995	0	Reject H0	Groups significantly differ in their view on career progression clarity.
8. Our HR policies are aligned with our company's strategic goals	7.401	0	Reject H0	Significant differences exist among groups on HR policy alignment.
9. Diversity and inclusion are integral parts of our HR practices	3.159	0.009	Reject H0	Groups differ significantly on views about diversity and inclusion.
10. HR practices in our company positively impact employee morale and motivation	11.399	0	Reject H0	There is a significant difference between groups regarding HR impact on morale.

The ANOVA results indicate statistically significant differences in the perceptions of all examined human resource practices across the selected industrial sectors of Gujarat ( $p < 0.05$  for all). This suggests that HR practices such as training and development, performance appraisal, compensation, work environment, feedback mechanisms, career progression, policy

alignment, diversity, and employee motivation are not uniform but vary significantly depending on the sector.

### **Findings**

The study involved 315 employees, with a fairly even split between men and women. Manufacturing had the most participants, while women were more represented in FMCG and Retail: (1) About 64% of employees feel that training programs are regularly held, especially in FMCG and Manufacturing, but Finance and Healthcare lag behind; (2) Nearly 73% believe performance appraisals are fair, with the highest satisfaction in FMCG and Manufacturing; Finance shows mixed opinions; (3) Around 74% are happy with their compensation, particularly in FMCG and Manufacturing, while Finance and Healthcare report lower satisfaction; (4) Close to 75% agree their workplace promotes a positive environment, especially in FMCG, Manufacturing, and IT; Finance scores the lowest here; (5) About 70% say their feedback is regularly collected and acted upon, with strong engagement in Manufacturing and FMCG, but low in Finance; (6) Seven out of ten employees see a clear path for career growth, especially in FMCG and Manufacturing, but fewer in Finance share this view; (7) Around 72% feel HR policies align well with company goals, most notably in FMCG and Manufacturing, while Finance has more mixed responses; (8) The same percentage, 72%, agree that diversity and inclusion are key to HR practices, led by FMCG and Manufacturing; Finance shows the most disagreement; (9) Two-thirds of employees feel HR practices boost morale, with FMCG leading at 89%, and Finance at the lower end with just 26%.

### **Importance of Study**

Provides valuable insights into how HR practices vary across sectors. Helps industries benchmark and adopt best HR practices. Assists policymakers in identifying HR trends and challenges in Gujarat's industrial sectors.

### **Limitations of Study**

The study is limited to selected sectors and may not reflect all industries in Gujarat. The findings are based on primary data, which may be subject to bias. Time and resource constraints may limit the depth of data collection. External factors such as economic conditions and labour laws may influence HR practices but are not the core focus of this study.

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