
A STUDY ON HR CHALLENGES IN MANUFACTURING SECTOR

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ABSTRACT

The manufacturing sector is a cornerstone of industrial growth and national development, yet it faces persistent human resource (HR) challenges that directly influence efficiency, competitiveness, and sustainability. One of the most critical issues is the skill gap. With the rapid adoption of automation, robotics, and digital technologies under Industry 4.0, traditional skill sets are becoming obsolete, creating an urgent need for continuous reskilling and upskilling programs. HR managers must bridge this gap by fostering technical training, adaptability, and lifelong learning among employees.

Another major challenge is workforce retention and engagement. Manufacturing jobs are often perceived as physically demanding and less appealing compared to service-sector roles, leading to high attrition rates. HR professionals must therefore design strategies that enhance job satisfaction, career progression, and workplace culture to retain talent. Additionally, **labor** relations and compliance remain complex, as organizations must navigate union negotiations, labor laws, and workplace safety regulations while maintaining harmonious relations

KEYWORDS: Human Resource Management (HRM), Manufacturing Sector, Skill Gap.

1. INTRODUCTION

Talent management and human resource (HR) practices play a vital role in enhancing organizational performance in today's competitive environment. Effective management of employees helps organizations improve productivity, efficiency, and long-term sustainability. Talent management focuses on attracting, developing, and retaining skilled employees to

ensure the right workforce is aligned with organizational goals.

In the logistics industry, operational efficiency and timely service delivery depend heavily on employee performance. Therefore, HR practices such as training, employee welfare, and performance management are essential for improving job satisfaction and productivity. This study focuses on R.K.V Cargo Movers Private Limited to examine the impact of talent management strategies on employee welfare and organizational performance.

2. LITERATURE REVIEW

Shahzad et al. (2024):The study found that employee engagement significantly reduces turnover rates and enhances productivity. It emphasizes the importance of recognition, leadership support, and work-life balance in retaining employees.

Singh & Sharma (2023):The authors highlighted the role of digital HR tools such as artificial intelligence in improving recruitment and performance management. Their study shows that technology enables better decision-making and enhances employee experience.

Kaur (2022):The research emphasized that training and development programs are key drivers of employee performance and motivation. Continuous learning helps improve employee skills and organizational effectiveness.

Gupta & Verma (2021):The study identified compensation, leadership support, and career growth opportunities as major factors influencing employee retention. It concluded that employee-centric policies are essential for reducing turnover.

Patel (2020): The study concluded that effective HR practices such as recruitment, training, and appraisal directly impact organizational performance. Aligning HR strategies with business goals improves efficiency and productivity.

Alshammari (2021): The research stated that leadership plays a crucial role in the success of talent management. Transformational leadership enhances employee motivation, satisfaction, and commitment.

Nguyen & Nguyen (2022): The study found that employee satisfaction positively influences productivity and organizational commitment. Factors like work environment and management support play a key role.

Rahman et al. (2023): The research highlighted that training programs improve employee efficiency and adaptability. Continuous development helps employees meet changing industry demands.

3. OBJECTIVES OF THE STUDY

- To study talent management in the industry
- To analyze HR practices in the organization
- To examine employee welfare measures
- To understand the relationship between welfare and productivity
- To evaluate the effectiveness of talent management strategies

4. RESEARCH METHODOLOGY

Research Design: Descriptive

Type of Data:

- Primary (Questionnaire, Interviews)
- Secondary (Books, journals, company data)

Sampling Method: Simple random sampling

Sample Size: 30 respondents

Data Collection Tools:

- Structured questionnaire (Likert scale)
- Interview

Data Analysis Tools:

- Percentage analysis
- Chi-square test
- Correlation analysis
- ANOVA

Software Used: MS Excel, SPSS

5. DATA ANALYSIS AND INTERPRETATION DEMOGRAPHIC ANALYSIS

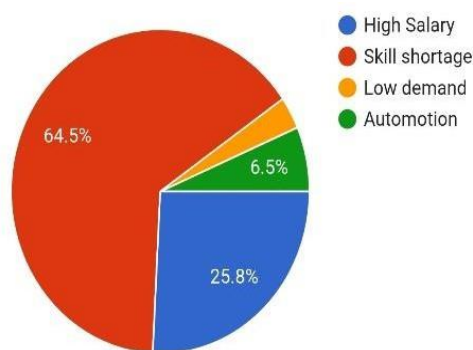


Fig 1 Analysis of What is the major hiring challenge in manufacturing?

Interpretation

Manpower shortage is the major hiring challenge, with the highest number of responses (15). This indicates a significant gap between labor demand and availability in the manufacturing sector. High skill demand (6 responses) is the second key issue, showing a lack of qualified workers. Overstaffing is a minor concern, with only 1 response recorded. Automation is not considered a challenge, as no respondents selected it.

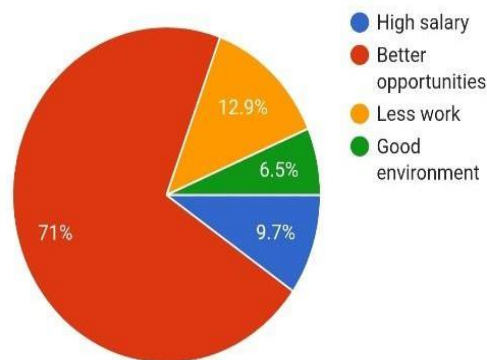


Fig 2 Analysis of Why do employees leave the organization?

The above data shows that the highest response category for employee leaving the company'. This represents the career growth opportunities play a key role in employee turnover.

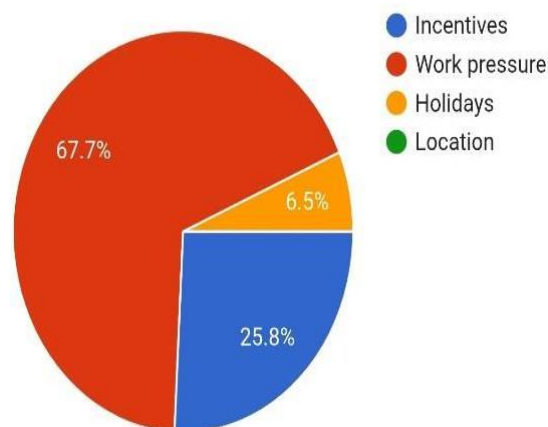


Fig 3 Analysis of What affects employee retention most?

Interpretation

The above data shows that the highest response category for employee retention affected. Postgraduate and above'. This represents the Improving work conditions can enhance employee retention.

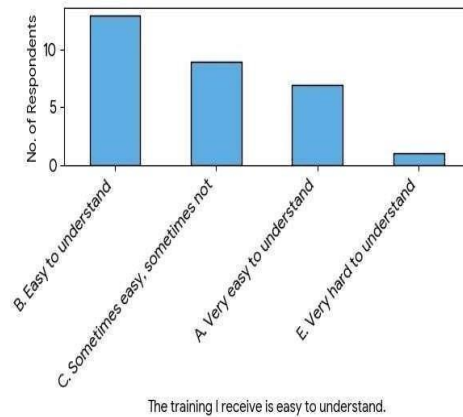


Fig 4 Analysis of the training I receive is easy to understand.

Interpretation

The above data shows that the highest response category for 'The training I receive is easy to understand.' is 'B. Easy to understand'. This represents the majority opinion among the surveyed employees.

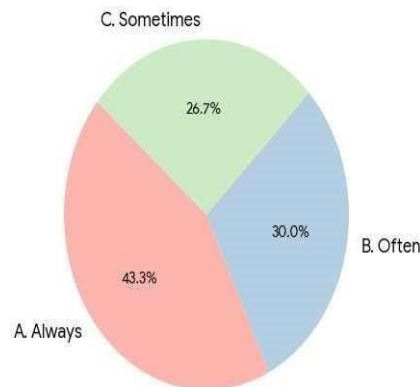


Fig 5 Analysis of The company gives me chances to learn new skills.

Interpretation

The above data shows that the highest response category for 'The company gives me chances to learn new skills.' is 'A. Always'. This represents the majority opinion among the surveyed employees.

STASTICAL TOOLS

1. Chi Square

The Chi-Square test was used to analyze the relationship between training effectiveness and employee satisfaction. The obtained p- value is 0.223, which is higher than the standard significance level of 0.05. Therefore, the null hypothesis is accepted, indicating that there is no statistically significant relationship between training effectiveness and employee

satisfaction among the respondents. This means that the frequency or effectiveness of training— whether employees experience it always, most of the time, sometimes, or rarely— does not significantly influence their level of satisfaction. The results suggest that employee satisfaction may depend more on other factors such as work environment, salary, growth opportunities, or management support rather than training effectiveness alone.

Interpretation:

Since the p-value (0.223) is greater than the standard significance level of 0.05, we fail to reject the null hypothesis. This implies that there is no statistically significant relationship between the frequency of training and the overall satisfaction levels of the employees in this specific sample.

2. Anova Test

The ANOVA test was conducted to examine whether employee satisfaction differs across various experience levels. The obtained significance value is 0.072, which is higher than the standard threshold of 0.05. Therefore, it indicates that there is no statistically significant difference in employee satisfaction among employees with different levels of experience. Although there may be slight variations in satisfaction levels across experience groups, these differences are not strong enough to be considered meaningful. This suggests that years of experience in the organization do not play a major role in influencing employee satisfaction in this study.

Interpretation:

The ANOVA test yielded a significance value of 0.072. Since this is slightly above the 0.05 threshold, we conclude that there is no significant difference in employee satisfaction based on the number of years they have worked in the organization.

6. FINDINGS

1. HR practices are structured and systematic
2. Employees are satisfied with work environment
3. Training improves employee skills
4. Welfare measures positively impact productivity
5. Strong link between welfare and performance
6. Feedback system is effective
7. Employees feel respected and supported

8. Career growth opportunities are moderate
9. Talent management is moderately effective
10. Need improvement in engagement and retention

7. RECOMMENDATIONS

1. Introduce advanced training programs
2. Improve employee welfare benefits
3. Strengthen performance appraisal system
4. Enhance employee engagement activities
5. Provide clear career growth paths
6. Implement modern HR technologies
7. Improve communication channels
8. Introduce recognition and reward systems
9. Focus on employee retention strategies
10. Conduct regular employee satisfaction surveys

CONCLUSION

The study of HR challenges in the manufacturing sector, with emphasis on UNO Minda Seating Division, highlights the **interconnected nature of workforce management issues**. Safety compliance and workforce skill gaps emerge as the most critical concerns, directly influencing productivity, employee morale, and organizational sustainability. Labor relations, technological adaptation, and employee retention, though slightly less severe, remain vital areas that require continuous attention.

The findings show that **safety compliance** is not only a regulatory requirement but also a cornerstone of trust between employees and management. **Skill gaps** hinder the adoption of advanced technologies, while **labor relations** shape the overall climate of cooperation and conflict resolution. **Employee retention** reflects the organization's ability to engage and motivate its workforce, and **technological adaptation** represents the future readiness of the division.

Ultimately, these challenges are **deeply interconnected**: poor safety practices can fuel disputes and attrition, skill shortages slow down automation, and resistance to technology can strain labor relations. Addressing them in isolation will not yield sustainable results.

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