

Competitive Advantage in Packaging Industry Through Strategic Hr Practices

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ABSTRACT

Historically, competitive advantage was obtained by elements such as production capacity, research laboratories, financial resources, distribution routes, and economies of scale. Though these qualities remain significant, they are insufficient for success in today's corporate world. It is widely understood that people are the most valuable assets in the new global market, and that all other assets are merely commodities that may be acquired at market rates; yet, only the human asset has the ability to learn, grow, and contribute. The primary goal of the study is to determine the competitive advantage in the packaging industries through HR practices. Existing research reveals that the packaging sector has strategically aligned human resources to support this objective. In today's intensely competitive climate, it is incredibly challenging for the packaging industry to attract, motivate, develop, and retain skilled personnel.

Keywords: HR practices, Packaging industry, Competitive advantage etc.

INTRODUCTION

A competitive advantage is a industry's capacity to manufacture goods or offer services more efficiently than its competitors. It helps a firm to generate income for itself and its stockholders by increasing profit margins. A competitive advantage is anything that is distinctive to a industry or business and cannot be easily replicated. Its value is generated internally and is what sets the firm apart from its competitors in the eyes of its clients. With the Competitive Advantage, an industry achieves and maintains higher profitability, a better growth profile, or more customer loyalty. Substantial and repeatable competitive advantages can help a firm establish long-term success and get finance more simply and cheaply. Competitive advantages can come in a variety of forms, such as access to natural resources that competitors do not have, Access to new or unique technology, highly skilled employees, strong brand awareness, and price domination. A corporation must understand its value offer, target market, and rivals in order to acquire a competitive advantage. The value proposition must deliver considerable value to the target market and cannot be replicated by rivals.

In the world of global competition, competitive advantage is an important challenge for all companies to have. That is because the growth and success of a industry is determined by the presence or absence of a competitive advantage which is owned compared with competitors in the same industry. Also, competitive advantage in companies indirectly provides an important role in the position of a country. This is due to the success of competitiveness in shaping local competition and creating products that are the main determinant of a country's economic growth and prosperity. The World Economic Forum (WEF, 2017) recorded an increase in Indonesia's competitiveness from position 38 in 2016 to position 34 in 2017. The increase in competitiveness is the impact of a large increase in market size in the construction sector as a result of infrastructure development in Indonesia and the environment relatively strong macro-economic. However, Indonesia's competitive position is still far compared to other ASEAN countries. This can be seen in Fig. 1. Becker et al. (1997) explained that the industry's competitive advantage can be achieved through human resource management practices that support the development of employee skills and motivation. This results in increased productivity and creativity which would affect performance improvement. Furthermore, previous research states that work safety culture and employee health problems must be prioritized due to increased awareness of employee welfare at work (Clarke, 1999). Employees who experience potential threats will face a series of physiological, psychological and emotional problems, which ultimately affect organizational performance (Zacharatos et al., 2005). Therefore, it is very important to integrate various aspects of human resource management practices in developing an understanding of how perceptions about workplace safety culture synergistically affect industry performance as a competitive advantage of a industry (Delery & Doty, 1996). This study tries to offer preliminary evidence on human resource management strategies to form a work safety culture that increases employee productivity as a competitive advantage

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In today's global competition, gaining a competitive advantage is a significant problem for all companies. This is because a industry's development and performance are decided by whether or not it has a competitive edge over competitors in the same sector. Furthermore, a country's status is influenced by its competitive edge in many industries. This is due to competitiveness's effectiveness in defining local rivalry and developing goods that are the primary determinants of a country's economic growth and wealth. The World Economic Forum (WEF) ranked India's competitiveness as 38th in 2025, up from 46th in 2024. (Vajiram, June 11, 2025).

This development suggests that India's overall competitiveness is improving, as evidenced by a variety of economic and social indicators. The World Economic Forum's Global Competitiveness Index determines a country's competitiveness by taking into account aspects such as economic performance, infrastructure, health, innovation, and business climate.

The improvement in competitiveness is the consequence of a significant expansion in market size in the packaging sector due to infrastructural development in India and a reasonably solid macroeconomic climate. Becker and Gerhart (1996) stated that human resource management methods that promote employee skill development and motivation may help a firm gain a competitive edge. This leads to greater productivity and creativity, which influences performance improvement. Furthermore, recent study indicates that work safety culture and employee health issues must be highlighted since there is a greater awareness of employee welfare at work. Employees that are exposed to possible dangers will suffer a variety of physiological, psychological, and emotional issues, all of which will have an impact on organizational performance. As a result, it is critical to combine multiple components of human resource management techniques in order to establish a knowledge of how attitudes about workplace safety culture interact to effect firm performance as a competitive advantage.

If an industry can effectively implement HR policies, it is bound to have devoted personnel who are capable of maintaining industry performance in a dynamic competitive environment. As a result, it will develop a sustainable competitive edge since competitors will need years to replicate the same degree of devotion and confidence in its personnel. However, there must be a fit between the industry's competitive strategy and its human resource policies. So industry must consider both human capital advantage and human process advantage (learning, cooperation, and so on). Employees who are knowledgeable and devoted to better procedures are more happy, which leads to fewer accidents, more efficiency and productivity, lower labour turnover, and, of course, better customer service. As a result, there is an urgent need to research and explore this topic in a highly competitive corporate climate, notably in the packaging sector.

LITERATURE REVIEW

According to Aljhrani (2020), human resource management focuses on service firms where people are critical to achieving rules, goals, and objectives in a transparent and plain manner. They are essential to organizational success because they provide a creative and productive spark. He went on to say that planning is a way for providing human resources with defined needs based on work requirements at the lowest feasible cost. Human resource planning avoids the trap of shortage or excess to the real demand.

Cook et al. (2020) sought to shed light on the difficulties confronting human resource management (HRM) across Asia. The author reviewed studies published in the last 25 years to investigate the rise of HRM studies in Asia and identified key themes such as the psychological contract, work-life integration, corporate social responsibility, multinational corporations and their subsidiaries, global talent management challenges, convergence-divergence from state socialism to post-state socialism, and the setting. He also highlighted theoretical discoveries and significant recent changes that are likely to impact future practice and should be addressed by scholars.

Widyanty et al. (2020) evaluate the concept of strategic human resource management as a competitive advantage in the construction industry, focusing on identifying elements that contribute to establishing a competitive advantage in this sector. The empirical results show that a competitive advantage in Indonesia's construction sector may be attained through human resource management strategies that establish and improve a safety culture, which increases employee productivity. Enterprises must combine human resource management techniques with safety culture as a key strategy, since empirical results show that safety culture may provide a competitive edge for Indonesian construction enterprises. Future research can apply these strategic human resource management models to various industrial sectors by include a large number of samples to ensure that the results are generalizable.

Sharma (2020): "Employee Wellbeing Program in Indian Packaging Firms: A Review of Material" Sneha Sharma's literature study is anticipated to combine current studies on employee well-being initiatives used in Indian packaging industries. This assessment may include a wide variety of themes, including as wellness efforts, health and safety measures, work-life balance regulations, and employee support programs. By reviewing the present body of literature.

Wang et al. (2021) said that Vietnamese branding and packaging has emerged as one of its fastest growing sectors in recent decades. Rising packaging technical trends, together with the presence of foreign direct investment (FDI) businesses, have resulted in intense rivalry in Vietnam's packaging sector. The goal of their paper is to calculate the worker efficiency of the ten Vietnamese packaging enterprises from the past to the future by employing the additive The Holt-Win (LTS(A,A,A)) model to forecast key variables in the balance sheet for the next four years (2020-2023) and an epsilon-based measure of efficiency (EBM) model of data enclosure analysis (DEA) to describe the evolving trend, efficiency, and ranking of packaging operation. The empirical data will help packaging executives assess their place in the marketplace and make long-term advancement decisions. Second, it will be extremely useful to investors and companies in determining the best supplier for their requirements and making investment decisions. The combined effort of these systems may be applied in a range of areas and applications.

Wang, L., (2021), "Examining Human Resources Practices and Employee Welfare in the Packaging Industry" Wang performed a longitudinal study to investigate the association amongst hiring procedures and employee well-being in the manufacturing business across time. They looked into work design, handling performance, and assistance for employees. The findings provide insights into the changing nature of HR initiatives and their influence on employee well-being in the dynamic packaging industry.

Darvazeh et al. (2022) concentrate on environmentally viable outcomes by employing an integrated strategy based on the meta-synthesis, Delphi, and structural equation modelling (SEM), among other approaches applied in various phases. The first phase involves doing an in-depth investigation of GHRM (green human resource management) literature using the metasynthesis technique, which yields 38 coding. The findings demonstrate that only five of the nine primary GHRM components selected from the literature have significant and positive associations with GHRM: green recruiting and selection, green performance administration, green reward, green-based employee empowerment, and green training. Finally, the authors discuss management insights, limitations, and future study objectives. It advises that human resource administrators in the construction sector prioritize green recruiting and selection. To achieve sustainability, green evaluations, green rewards, green-based employee empowerment, and green training are employed.

Sharma (2022), "Creative thinking HR Practices" Sharma et al. offer novel HR approaches customized to the manufacturing industry's specific demands, such as sustainability efforts and diversity and inclusion programs, to boost staff well-being and organization resilience.

Smith, J. (2022); "Impact of Human Resource Management on Employee Wellbeing in the Container Industry" This research investigates the various HR methods used in the packaging business and their impact on employee well-being. It investigates approaches such as remote working, initiatives for development and training, and employee aid programs.

Williams and Smith (2023), "Holistic Employee Wellbeing Approaches" Williams and Smith advocate for holistic approaches to employee well-being in the packaging industry, taking into account both physical and mental health aspects, as well as using data analytics to continually monitor and enhance HR intervention.

Mathur and Nair (2024) investigate the impact of various SHRM practices on the firm's competitive advantage over the long term. The study is based on primary information obtained from 500 workers working in Five-Star Hotels in the National Capital Region (NCR) and select locations in Rajasthan. Statistical approaches such as Pearson Correlation and Linear Regression examination were used to assess the relevance and degree of the link between Strategic HR Practice and competitiveness. Correlation research found a substantial positive relationship between Strategic HR Standards and Competitive Advantage. The study also looks at the various Strategic HR Practices used in the hotel industry.

Krishnan and Dr. Vanitha (2024) highlight critical HR practices that have a substantial impact on employee wellness outcomes including job satisfaction, balance between work and private life, and overall mental and physical health. It analyzes the complex link between HR procedures and employee well-being in the packaging business. The study aims to better understand the particular problems and possibilities that employees encounter in the packaging business, taking into account aspects such as fast-paced manufacturing processes and the physically demanding nature of the job. The findings of this study are expected to provide practical insights for HR professionals and industry leaders, allowing for the creation of targeted initiatives to improve employee well-being and promote sustainable performance in the packaging business.

Pahuja et al. (2024) examine the current situation of Indian banks' human resource systems and their competitive advantage. The study used partial least-squares mathematical modelling of structural equations with the Chi-Square test and a descriptive analysis, which is based on a significant amount of variables that are autonomous and one dependent variable. There are 12 HR system elements recognized as contributing to winning status. Furthermore, these twelve factors jointly explained 63.59 percent of the total variation, and all hypotheses provided strong support for the study. According to the study's findings, banks may not only survive in today's commercial marketplace, but also gain a competitive edge by focusing on the HR function. There are intersectional discrepancies between banks' HR systems and their competitive advantage status, and fine-tuning is required to sustain it.

OBJECTIVE OF THE STUDY

- To examine the major human resource practices to gain competitive advantage in packaging industry.

RESEARCH METHODOLOGY

To meet the objectives, an empirical investigation was done. The convenience sampling approach was followed. The study included 200 participants. A well-structured questionnaire was created to perform the investigation. Factor analysis was utilized as a statistical method to examine the acquired data. To determine if the data is suitable for factor analysis, a sample adequacy measure, Bartlett's test of sphericity, and the KMO value are used. Factors were maintained based on Eigen values and variance explained. The eigen value indicates the total variation explained by each element. The conventional method is to extract all components with an Eigen value of one or more.

ANALYSIS AND DISCUSSION

Table 2 lists the research variables as factors, assigns them numbers, and reports on them. Measures of sample adequacy, such as Bartlett's test of sphericity (approx. chi-square is 1167.525, degree of freedom is 348, significance is 0.000, and KMO value 0.758). Table 1 demonstrated that the data were fit for factor analysis. Five components were selected based on Eigen values and variance explained. The eigen value indicates the total variation explained by each element. The conventional method is to extract all components with an Eigen value of one or more. Thus, five

components were identified, accounting for 84.670% of the total variance. All statements with factor loadings larger than 0.41 were included in the relevant factor. Table 2 provides a summary of the factor names, variable labels, and factor loadings. Table 2 clearly shows that Factor 1 is a linear combination of variable numbers 4, 5, 2, 1, and 3. Factor 2 is a linear combination of the variables 15, 16, 11, 12, and 10. Factor 3 is a linear combination of the variables 17, 18, 19, and 20. Factor 4 is a linear combination of the variable numbers 6, 9, 8, and 7. Factor 5 is a linear combination of variables 13 and 14. After determining the number of extracted components, the following step is to analyze and identify the factors. This is accomplished through the process of determining which factors are related with which of the original variables. The rotated factor matrix is employed for this purpose.

Table 1: KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.758
Bartlett's Test of Sphericity	Approx. value of Chi-Square	1167.525
	Df	348
	Sig.	0.000

Table 2: Factor Identification and Respective Loadings

Factors	Statements	Factor Loading
Recruitment & Reward	4. Your industry has fair reward system.	0.765
	5. Retirement Security is present.	0.756
	2. The managers review performance on periodic basis.	0.756
	1. Your industry targets and attracts potential recruits.	0.741
	3. Effective performance is rewarded.	0.733
Training and development practices	15. Employees are encouraged to experiment and try out new methods and creative ideas.	0.786
	16. Your job provides you with ample opportunities to utilize your abilities.	0.756
	11. Promotion decisions are based on suitability for promotion rather than favoritism.	0.718
	12. People trust each other in this Organization.	0.681
	10. The seniors guide their juniors and prepare them for the responsibilities/roles they will get in the future.	0.654
Industry Climate	17. I am happy with the industry's HR policies.	0.927
	18. I am happy with the working conditions.	0.916
	19. I am satisfied with my industry as a whole.	0.721
	20. I am committed to my Organization.	0.712
Employee Empowerment	7. Authority to make decisions is given.	0.654
	8. People who lack the ability to perform their jobs are helped to acquire the ability, rather than being ignored.	0.668
	9. Personnel policies in the organisation facilitate employee development.	0.695
	6. Managers are also good leaders who motivate employees to achieve the best performance.	0.796
Effective Communication	13. Manager fosters a work environment that is low on personal conflict, surprises.	0.702
	21. Open two ways Communication is there.	0.466

Table 3: Total variance explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.345	53.656	53.656	12.345	53.656	53.656	5.364	19.865	19.865
2	2.917	12.685	66.341	2.917	12.685	66.341	4.807	17.807	37.673
3	1.598	6.952	73.292	1.598	6.952	73.292	3.612	13.374	51.046
4	1.351	5.866	79.158	1.351	5.866	79.158	3.462	12.816	63.863
5	1.267	5.511	84.670	1.267	5.511	84.670	2.236	8.285	84.670
6	0.645	2.810	87.479						
7	0.574	2.501	89.981						
11	0.454	1.962	91.943						
9	0.413	1.791	93.734						
10	0.285	1.246	94.980						
11	0.276	1.205	96.186						
12	0.233	1.006	97.191						
13	0.156	0.673	97.864						
14	0.133	0.573	98.437						
15	0.121	0.521	98.958						
16	0.076	0.334	99.292						
17	0.072	0.311	99.603						
18	0.043	0.182	99.785						
19	0.037	0.167	99.952						
20	0.012	0.048	100.000						

Extraction Method: Principal Component Analysis.

DISCUSSION

All of the factors have been given suitable names based on the variables placed onto each component. The five criteria are explained below.

- I. The rotated cube indicated that respondents considered this component to be the most essential, with the largest explained variance of 19.865%. Five out of twenty service characteristics have a substantial impact on this element. This element is referred to as Acquisition and Reward because it comprises statements such as: Industry targets possible recruits; Performance is examined on a regular basis; a fair reward system; rewards to sustain performance; and keeping workers via perks. As a result, it is possible to infer that the most significant aspect influencing human resources is the fair recruiting method, as well as the organization's efforts to retain talent by providing a healthy atmosphere, a fair salary and reward system. So this is the most important element regarded by Indian employees.
- II. The second most relevant component has an explained variance of 17.807%. Five characteristics were added to this factor. This factor has been named Learning and Development because it includes statements such as: the job provides adequate chances to use your abilities; seniors guide younger people and prepare them for future roles; personnel are sponsored for training programs on a regular basis as needed; and employees are urged to come up with and try out novel strategies and creative ideas. This leads to the conclusion that the training provided by the organization, as well as the opportunities provided for implementation, have a significant impact on employee performance. The more an industry assures employee welfare and improvement, the better their performance and the more competitive its employees.
- III. Four sentences load on this component, accounting for 13.374% of the variation. This element encompasses remarks about the industry's HR policies, job conditions, satisfaction level, and work environment, and hence

the name Organizational Climate has been given. And it is critical for every organization to maintain a healthy atmosphere in order to retain devoted and efficient staff.

- IV. The empowerment of staff is the second most important component, accounting for 12.816% of the variation. Four statements were placed into this factor. Managers are also good leaders who motivate staff members to achieve their best. Personnel policies facilitate employee development. People who lack competence in doing their jobs are assisted in acquiring competency rather than being left unattended. Authority to make decisions and statements about a healthy work environment are included in this factor, which is why it is called staff involvement and empowering others.
- V. The fifth component contributes 8.285% of the variation. Two statements were placed into this factor. A work atmosphere with little interpersonal dispute and open conversation in both directions that fosters trust is critical. This aspect is known as a successful connection system.

CONCLUSION

In light of the findings and discussion of the current inquiry, we may infer that workers in the packaging business are satisfied with the HR practices. Competitive advantage is determined by employees' attitudes, abilities, and competences, as well as their satisfaction and dedication. This research indicated that industries attain long-term competitive advantage by producing resources that contribute distinctive and unusual value that rivals cannot replicate, as well as by attracting and developing exceptional employees and leveraging their contributions within the business's resource pool. Following the investigation, we conclude that the packaging business has implemented excellent HR practices and is doing a lot to attract and retain skilled individuals. The compensation and incentive system reinforced personnel, resulting in commitment, motivation, and satisfaction at all levels. The packaging business also provides a range of training targeted at improving and maintaining each individual's job-related abilities and giving possibilities for development. The packaging sector promotes a healthy culture in which employees are empowered to make decisions and there is a sense of trust. The industry is thereby acquiring a competitive edge through its human resource strategies, as previously observed and documented.

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