

Employees Perspective on the Importance of Social Compliance Audit in the Apparel Industry A Study with Reference to Coimbatore District

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Abstract—Social compliance has transitioned from a voluntary corporate gesture to a mandatory "license to operate" in the global garment supply chain. While existing literature focuses on organizational benefits, the grassroots impact on the workforce remains under-explored. This study examines employee perspectives on the effectiveness of social compliance audits within the apparel industry in Coimbatore, Tamil Nadu. Using a descriptive research design, primary data was collected from 60 garment workers across various export-oriented units through structured interviews. The research evaluates awareness regarding audit parameters such as health and safety, wage regularity, and working hours. Preliminary findings indicate that while audits have improved physical working conditions, a gap remains in "true" psychological empowerment and grievance transparency. The study concludes that for social compliance to be effective, audits must evolve from checklist-based inspections to worker-centric engagement models.

Index Terms—Social Compliance, Apparel Industry, Employee Perspective, Coimbatore, Labor Standards, Ethical Auditing.

I. INTRODUCTION

The global garment supply chain has undergone a radical transformation, driven by consumer demand for ethical products and international regulations. The industry is one of the most labour-intensive sectors globally; as production shifted to developing nations, international brands faced scrutiny over "sweatshop" conditions. This gave rise to Social Compliance Audits, acting as policing mechanisms to ensure adherence to ethical labor standards. Key standards include such as SA8000: Focuses on child labor,

forced labor, and freedom of association, WRAP (Worldwide Responsible Apparel Production) certification program for the sewn products sector and SEDEX/SMETA platform for sharing ethical supply chain data.

Coimbatore, the "Manchester of South India," is a powerhouse of the Indian textile sector. As of 2025–26, Coimbatore and Tiruppur contribute nearly 68% of India's knitted garment exports. For these factories, social compliance is a mandatory ticket to the global market. While existing literature focuses on brand reputation, there is a critical gap in understanding how the primary stakeholders—the workers—perceive these interventions. This paper explores whether audits truly empower the workforce or act as a "periodic ritual" for management.

II. LITERATURE REVIEW

2000 | Kabeer (Gendered Labor Perspectives): Kabeer's research output highlights the intersection of gender and labor rights. The study argues that women workers prioritize workplace safety and "shame-free" environments differently than their male counterparts, suggesting that a "one-size-fits-all" audit often ignores the specific socio-emotional needs and vulnerabilities of female labourers.

2002 | O'Rourke (The Worker "Comfort Level" and Audit Validity): O'Rourke's analysis focuses on the methodology of the "Worker Interview." The research emphasizes that audit effectiveness is inherently tied to the "comfort level" of the worker. If a worker fears retaliation, the audit results are rendered flawed. This

introduces the concept of systemic intimidation as a primary barrier to transparency.

2007 | Barrientos and Smith (The Ethical Trade Initiative Case Study): Their research found a significant disconnect between "Code of Conduct" documentation and the actual floor-level experience. While factories publicly display compliance codes, the reality of piece-rate pay and excessive overtime persists. This study was among the first to formally criticize the industry for "double bookkeeping"—maintaining official records for show and unofficial records for actual labor costs.

2013 | Locke (Private Voluntary Regulation vs. State Failure): Locke's output provides the structural context for Social Audits. He argues that private voluntary regulation emerged as a gap-filling mechanism where state-led inspections failed. This was a direct response to the "race to the bottom," a phenomenon where global brands sought the lowest possible production costs, often at the direct expense of worker safety.

2015 | Venkatesh et al. (Demographic Drivers of Rights Awareness): This research indicates that the demographic profile of a workforce—specifically migrant status—is a primary driver of rights awareness. The output shows that migrant workers often face higher levels of vulnerability compared to native workers, making them easier targets for exploitation and less likely to challenge non-compliant practices.

2021 | Sarosh Kuruvilla (Macro-Data Analysis of 40,000 Audits): In a groundbreaking large-scale study analysing over 40,000 factory audits across 12 countries, Kuruvilla found that a staggering 45% of audits were based on unreliable or falsified information. This research output quantifies the massive scale of deception within the social compliance industry.

2024 | Kumi Consulting (The Temporal and Economic Failure of Audits): Kumi Consulting argues that audits have become "snapshots" rather than systemic monitors; a factory may spend 360 days in non-compliance and only 5 days in "audit readiness." Their report highlights the "commoditization of audits,"

where brands choose the cheapest firms, forcing auditors to rush inspections (e.g., 2 days for 1,000 workers), thereby missing deep-seated management displays.

2025 | Transparent (Mechanics of Deceptive Compliance): This recent output details the specific tactics used to bypass human rights checks. These include "Falsified Payrolls" (showing 48-hour weeks while working excessive overtime), "Shadow Production Sites" (moving child labor or hazardous processes to unmapped units during audit weeks), and "Ghost Workers" (temporarily removing underage or undocumented workers before auditors arrive).

2025 | WSR Network (The Cycle of Complicity and "Audit-Show"): The WSR Network explores the "Spectacle of Compliance" or "Window Dressing." Their research highlights "Rehearsed Testimony," where management coaches' workers to lie about wages and safety. Crucially, they identify a "Worker Incentivization to Lie": workers often participate in the deception because they fear that an audit failure will cause the brand to cancel orders, leading to factory closure and total loss of livelihood.

III. RESEARCH METHODOLOGY

Need For the Study

Bridge the Gap: To understand if the benefits of international certifications (WRAP, BSCI, Sedex) actually reach the grassroots level, Worker Awareness: To evaluate if employees are aware of their rights or if compliance is merely a procedural formality, Performance Improvement: To identify areas where Aathava Garments can further enhance worker welfare based on direct employee feedback and Operational Sustainability: To ensure that the unit remains compliant not just on paper, but through an empowered and informed workforce.

Objectives of the Study

To study the demographic profile of the employees at Aathava Garments India Private Limited, to assess the level of awareness among employees regarding the purpose and importance of compliance audits, to analyse the impact of industrial audits on working conditions, safety standards, and employee morale and

to identify the difficulties faced by employees during the audit process and suggest improvements.

Research Design

The study utilizes a Descriptive Research Design supported by a Quantitative Research Approach. Descriptive Research: This is selected to provide an accurate profile of worker perceptions. It describes the "what" of the situation without manipulating variables and Quantitative Approach: By using a structured questionnaire, subjective worker experiences are transformed into measurable data, allowing for statistical analysis and generalization across the unit.

Sampling Techniques

To ensure statistical representation within the project's constraints, the following parameters are applied Sampling Method: Simple Random Sampling. This probability-based technique ensures that every employee within the selected functional roles has an equal and independent chance of being chosen, minimizing selection bias. Sample Size: A total of 60 respondents from Aathava Garments. Stratification of Roles: To capture a 360-degree view, the sample is distributed among Tailors: To understand direct production-related impacts, Helpers To gauge awareness among the entry-level workforce and Quality Checkers: To assess perceptions regarding SOPs and technical compliance.

Data Collection Tools

The study relies on a dual-source strategy to triangulate findings by Primary Data: The "heart" of the study is a Structured Questionnaire designed with four distinct sections Demographics: Age, gender, and income, Awareness: Knowledge of labor rights and audit purposes, Impact: Changes in working conditions post-audit and Expectations: Future requirements for worker welfare.

Secondary Data:

To provide a theoretical framework, data is sourced from Industry Reports: Tirupur Exporters' Association (TEA) and AEPC Academic Repositories: Peer-reviewed journals on labor economics and Legal Documents: Indian Labor Law publications and ILO standards.

Tools for Data Collection:

Data is processed using SPSS or Excel employing the following Simple Percentage Analysis: To describe the demographic profile, Weighted Average / 5-Point Likert Scale: To measure the intensity of attitudes (Strongly Agree to Strongly Disagree) and Chi-Square Test: Used to test Null Hypotheses and determine significant associations between categorical variables (e.g., Role vs. Awareness Level).

Difficulties Faced by The Researcher

Time Constraints: Employees were often busy with production targets, making it difficult to find uninterrupted time for interviews, Communication Barriers: Some workers, particularly migrant laborers, required simplified explanations of technical audit terminology, Hesitation: Some respondents were initially hesitant to share critical views, fearing it might affect their employment, requiring the researcher to build rapport and ensure anonymity and Production Noise: Conducting surveys on the shop floor posed environmental challenges for clear communication.

IV. DATA ANALYSIS AND INTERPRETATION

The study surveyed 60 workers in the apparel industry (specifically in the Coimbatore region). The demographic is characterized by a high concentration of females (81.7%) and individuals with limited formal education (86.7% have only Primary or SSLC schooling). As the majority are Tailors (68.3%), the findings reflect the core production workforce's perspective on social compliance and workplace standards.

Part A: Demographic Profile (Social Background)

- Age (Q2): The majority of respondents fall in the 26–35 age group (40%), followed by 18–25 (30%). This indicates a relatively young and active workforce.
- Gender (Q3): Dominated by Females (81.7%), reflecting the gendered nature of the garment assembly line.
- Education (Q4): A significant 51.7% have only Primary education, and 35% have reached SSLC/HSC levels. Only 5% are graduates. This "uneducated" profile suggests workers may be

less aware of their legal rights unless specifically trained.

- Marital Status & Family (Q5, Q8, Q9): 70% are married, and 60% live in nuclear families with an average of 3-4 dependents. This highlights the high financial responsibility on these workers.
- Native District (Q6): 50% are local to Coimbatore, while 50% are migrants (other districts or states), indicating a mix of local and migrant labor.
- Income (Q7): Most earn between INR 10,000–20,000 (55%), with 38.3% earning below 10,000, placing them in the lower-middle-income bracket.
- Residential Status (Q10): 50% live in rented houses, while 20% utilize company hostels, reflecting the transient nature of migrant labor.

Part B: Work Experience & Employment Details

- Designation (Q11): 68.3% are Tailors/Operators, the primary technical role in the factory.
- Experience & Tenure (Q12, Q13): Most have 5–10 years of experience (30%), yet tenure in the current factory varies, suggesting frequent job-hopping within the industry for better pay or conditions.
- Recruitment (Q14): 50% joined through referrals, showing that social networks are more influential than agents or direct recruitment.
- Working Hours & OT (Q15, Q16, Q17): 70% work 8–10 hours daily. Overtime (OT) is frequent for 40% of respondents. Crucially, 50% report that OT is NOT paid at double rates, which is a significant compliance gap.
- Benefits (Q18, Q19, Q20): 40% are permanent, while 40% are on contract. 60% receive ESI/PF benefits, but 40% remain outside this social security net. Paid leave is low, averaging only 5-10 days annually.

Part C: Awareness & Understanding of Social Compliance Audits

- General Awareness (Q21, Q22, Q30): While workers are aware that "audits" happen (Moderate score), their understanding of why (buyer demands/ethical production) is high. They know third parties conduct these audits, not just management.

- Code of Conduct & Laws (Q23, Q24): Awareness of the specific "Code of Conduct" and Minimum Wage Laws is low (Moderate/Disagree). Their lack of education makes it difficult for them to interpret legal posters or documents.
- Audit Process (Q25, Q26, Q27): Most agree they are notified in advance of audits (Q25). Only about 30% have ever been interviewed (Q26). A concerning trend is that many feel only moderately comfortable (Q27) speaking the truth, fearing subtle retaliation.
- Safety Training (Q28, Q29): This is the strongest area of awareness. Workers strongly agree that fire drills and emergency procedures are clearly explained, likely because these are the most "visible" parts of compliance.

Part D: Perceived Importance & Impact

- Safety & Cleanliness (Q31, Q34, Q38): Respondents Agree that audits have improved physical safety, toilet cleanliness, and first aid facilities. Compliance is seen as a driver for better infrastructure.
- Wages & Rights (Q32, Q33, Q40): There is moderate agreement that audits help in getting wages on time and reducing child labor.
- Skepticism (Q36, Q39): A critical finding: 58.3% Agree or Strongly Agree that audits are "for show" and don't change daily reality. Furthermore, many feel that Personal Protective Equipment (PPE) is only strictly enforced during audit days (Q39).
- Abuse Prevention (Q35): Audits have a positive impact on reducing verbal or physical abuse from supervisors, as management fears reports during auditor interviews.

Part E: Expectations & Suggestions

- Unannounced Audits (Q42): An overwhelming 80% Agree or Strongly Agree that audits should be unannounced. Workers believe this is the only way to see the "real" factory conditions.
- Transparency & Welfare (Q45, Q50): There is a strong demand for full transparency regarding OT (Q45) and a strong need for new management initiatives (Q50) to improve worker welfare in Coimbatore.

- Interviews Outside (Q44): Workers feel auditors should interview them outside the factory to ensure they can speak without fear.
- Preference for Compliance (Q48): Despite the skepticism, workers strongly prefer working in a certified/compliant factory over a non-compliant one, associating it with better job security (Q47).

C. Awareness of Safety Training vs. Job Security (Q29 & Q47)

- Correlation: $r = 0.72$ (Strong Positive)
- Interpretation: When workers feel well-trained in fire drills and emergency exits, their sense of job security and physical safety rises. This is the most successful part of compliance in your study group.

V. CORRELATION & REGRESSION ANALYSIS

Since the Majority group is uneducated female tailors, the correlations often reveal a "vulnerability gap" in social compliance.

Correlation Analysis (Pearson's r)

This measures the strength of the relationship between two variables. We use the scale: 0.0 to 0.3 (Weak), 0.4 to 0.6 (Moderate), and 0.7 to 1.0 (Strong).

A. Education Level vs. Awareness of Labor Laws (Q4 & Q24)

- Correlation: $r = 0.68$ (Strong Positive)
- Interpretation: There is a strong direct link. As education level increases, the understanding of minimum wage laws increases significantly. Because your group is majority uneducated, their awareness of legal rights is naturally low, making them more dependent on what management tells them.

Education Level	Low Awareness (1-2)	Moderate Awareness (3)	High Awareness (4-5)	Total
Primary/SSLC	38	12	2	52
Diploma/Graduate	1	3	4	8
Total	39	15	6	60

B. Frequency of Overtime vs. Perception of Audits as "For Show" (Q16 & Q36)

- Correlation: $r = 0.54$ (Moderate Positive)
- Interpretation: Workers who do frequent OT are more likely to believe audits are "for show." This suggests that if an auditor misses the "Hidden OT" during an inspection, the workers lose trust in the entire audit process.

Regression Analysis

We use Linear Regression to predict how much one factor (Independent Variable) influences another (Dependent Variable).

Model 1: Impact of Social Audits on Workplace Safety

- Independent Variable (X): Awareness of Audits (Part C)
- Dependent Variable (Y): Perception of Safer Environment (Q31)
- Result: For every 1-unit increase in Audit Awareness, the worker's feeling of workplace safety increases by 0.65 units.
- Insight: Education and awareness programs are the most effective tools for making workers feel safe, even more than the physical equipment itself.

Model 2: Predictors of Worker Satisfaction (Grievance Redressal)

- Independent Variable (X): Transparency in OT/Hours (Q45)
- Dependent Variable (Y): Satisfaction with Complaint Box/Grievance System (Q43)
- Result: $R^2 = 0.48$. This means 48% of the variation in worker satisfaction is explained simply by how transparent the factory is about their working hours.
- Insight: If a tailor feels their hours are being recorded honestly, they are nearly 50% more likely to trust the factory's internal complaint systems.

No	Statement	SA/Agree (%)	Interpretation
36	Audits are just "for show" and don't change daily reality.	58.3	Majority Skepticism. Over half the workforce believes audits are a performative "event," not a deep-rooted system of welfare.
39	PPE (Personal Protective Equipment) is only given/used during audit days.	45	This suggests management enforces safety rules strictly only when an auditor is present, leading to worker cynicism.

Critical Interpretation for the Coimbatore Context

The "Gender-Education" Paradox

The data shows a high "Compliance Gap." While the factory passes the Physical Audit (Toilets, Fire Drills), it struggles with the Social Audit (Rights, Fair OT Pay).

- Tailors (The Core): Since 68% are tailors, the production pressure is high.
- The Gender Factor: Female workers in this demographic often prioritize "Safe Environment" and "On-time Wages" over "Technical Rights awareness."

The "Unannounced Audit" Demand

A significant regression result shows that the Desire for Unannounced Audits (Q42) is highest among those who reported that PPE is only given during audit days (Q39). This proves that workers are aware of "window dressing" (preparing for the auditor) and want the system to be more honest.

Hypothesis	Test	Result	Conclusion
Does Education	Correlation	0.68	Confirmed: Low education leads

affect Awareness?			to low rights awareness.
Do Audits reduce Abuse?	Regression	p<0.05	Significant: Audits are effective in curbing supervisor verbal abuse.
Is OT Pay linked to Trust?	Correlation	0.59	Moderate: Non-payment of double OT rates destroys audit trust.

VI. CONCLUSION

The study titled "Employees' Perspective on the Importance of Social Compliance Audit" concludes that while social compliance has become a structural necessity in the Coimbatore apparel cluster, its impact is experienced unevenly by the workforce. Infrastructure vs. Empowerment: There is a clear success in Physical Compliance. Respondents strongly agree that audits have led to cleaner toilets, better drinking water, and standardized fire safety protocols. However, Psychological Empowerment remains lagging; workers still fear speaking the complete truth to auditors (Q27) and view the process as a management-led "event" rather than a continuous rights-based system. The "Audit-Show" Paradox: The most significant finding is the high level of skepticism among the core tailoring workforce. When 58.3% of workers perceive audits as a "performance" for buyers, the credibility of the entire global supply chain is called into question. The practice of providing PPE only on audit days (Q39) and "hiding" overtime hours (Q45) suggests that compliance is often treated as a cost to be managed rather than a value to be embraced. Demographic Vulnerability: The strong correlation ($r = 0.68$) between education levels and rights awareness highlights that the "uneducated female tailor" is the most vulnerable stakeholder. Their lack of formal schooling prevents them from independently verifying if their ESI/PF deductions and OT payments match legal standards, making them highly dependent on the integrity of factory management. In summary, social compliance in Coimbatore is currently Audit-Centric (focused on passing the inspection) rather than

Worker-Centric (focused on improving the life of the employee).

VII. LIMITATIONS OF THE STUDY

While this study provides significant insights into the effectiveness of social compliance from the workers' perspective, certain limitations must be acknowledged: **Sample Size Constraints:** The study is based on a sample of 60 respondents. While this provides a snapshot of the workforce in Coimbatore, a larger sample size would be required to generalize the findings across the entire textile industry of Tamil Nadu, **Geographic Focus:** The research is restricted specifically to the Coimbatore District. Since labor dynamics, migrant ratios, and management styles may vary in other hubs like Tiruppur or Karur, the findings may not be universally applicable, **Response Bias (Fear Factor):** Despite assurances of confidentiality, some workers may have exhibited social desirability bias. Due to the fear of management retaliation (as noted in the analysis of Q27), respondents might have under-reported grievances or over-reported satisfaction levels, **Language and Literacy Barriers:** As 51.7% of the respondents had only primary education, some technical terms related to "Social Compliance" or "Code of Conduct" had to be simplified during the interview process, which may have led to a loss of nuance in their technical understanding, **Cross-Sectional Nature:** This study is a one-time assessment (cross-sectional). Because it does not track the same workers over a long period, it cannot measure how perceptions of compliance change as a factory matures or after a major audit failure and **Limited Scope of Variables:** The study primarily focuses on social parameters (wages, safety, abuse). It does not extensively cover the economic impact of compliance costs on the factory's profitability, which is a secondary factor influencing how management implements these rules.

VIII. RECOMMENDATIONS

To transform social compliance from a "periodic ritual" into a meaningful tool for labor welfare, the following actions are recommended:

A. For Factory Management

Shift to Continuous Compliance: Move away from "audit-day preparations." PPE usage and safety

protocols should be monitored weekly by internal committees to normalize these behaviours, reducing the "for show" perception among workers. **Transparent Wage Communication:** Given the low education levels, factories should provide Visual Pay Slips. Using simple icons to represent Base Pay, OT Hours, and Deductions (ESI/PF) will empower uneducated tailors to understand their earnings without needing high literacy. **Strengthen Internal Grievance Mechanisms:** The "Complaint Box" is often viewed with suspicion. Management should introduce Digital or Anonymous Hotline systems where workers can report issues via a missed call or a simple voice message in Tamil.

B. For International Buyers & Auditors

Prioritize Unannounced Audits: To capture the "daily reality" (as suggested by 80% of respondents), buyers should mandate unannounced visits. This eliminates the window-dressing phenomenon and provides a more honest view of working conditions. **Off-Site Worker Interviews:** Auditors should conduct a portion of their interviews outside the factory premises (e.g., at worker hostels or community centers). This ensures workers can speak freely without fear of supervisor surveillance. **Gender-Sensitive Auditing:** Since 81.7% of the workforce is female, audit teams should consist of at least 50% female auditors to ensure female tailors feel comfortable discussing sensitive issues like workplace harassment or maternity benefits.

C. For Policy Makers and NGOs

Language-Specific Rights Training: NGOs should conduct "Rights Awareness Workshops" using folk media, street plays, or short videos in local languages. This bypasses the literacy barrier and ensures workers understand minimum wage and OT laws (Q24). **Certification of "Fair Pay" Factories:** Coimbatore industrial bodies (like TEA or SIMA) should create a local "Gold Standard" for factories that demonstrate 100% transparency in OT payments, incentivizing management to go beyond the bare minimum of global audits.

Final Thought

Social compliance must evolve from a checklist of constraints into a culture of Care. For the tailors of Coimbatore, the "importance" of an audit is measured not by a certificate on the wall, but by the extra money

in their pocket for overtime and the confidence that they can return home safely every day.

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