

# Ethical Dilemmas Faced by Tirrupur Textile Exporters in Compliance with Export Requirements

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**Abstract**—The present study examines the ethical challenges and export compliance issues faced by textile export firms, with specific reference to firms associated with the Tea Association. In the context of increasing globalization and stringent international trade regulations, ethical compliance has become a critical factor influencing business performance and sustainability. The study aims to identify the major ethical conflicts encountered by firms, analyse the impact of export compliance requirements, and evaluate the relationship between firm characteristics and ethical issues. The research is based on primary data collected from 32 respondents using structured questionnaires. Various analytical tools such as simple percentage analysis, descriptive statistics, Garrett ranking technique and Spearman rank correlation were employed to interpret the data. The findings reveal that labour-related issues, environmental concerns, and buyer-driven price pressures are significant ethical challenges faced by the firms. The study concludes that while ethical compliance is essential for accessing global markets, it also poses significant challenges for firms. The research suggests the need for improved regulatory support, sustainable practices, and enhanced awareness among exporters to effectively manage ethical conflicts and ensure long-term growth.

**Index Terms**—Ethical Challenges, Export Compliance, Business Performance, buyer relationship

## I. INTRODUCTION

One of the oldest types of industries is the textile sector, which includes businesses that design, produce, and sell clothing, gowns, and associated products. The textile business, which supplies apparel, textiles, and fabrics to customers all over the world, is a vital component of international trade and fashion. As

international trade grows, textile exporters must progressively adhere to strict export regulations set by governments, international regulatory bodies, and foreign customers. Export compliance frequently causes ethical dilemmas for textile exporters, despite its goal of encouraging ethical and sustainable trading practices. Exporters must balance labour welfare with productivity goals, environmental compliance with financial viability, and transparency with the possibility of losing export orders in order to be competitive in global markets. Therefore, encouraging ethical decision-making and sustainable business practices requires an appreciation of the moral dilemmas faced by textile exporters in adhering to export regulations.

Ethical difficulties are present in every facet of textile manufacturing and use, ranging from environmental degradation and labour exploitation to supply chain transparency and animal welfare issues. The manufacture of textiles has a significant negative impact on the environment, ranging from the depletion of water resources and deforestation caused by the cultivation of cotton and other natural fibres to the pollution of air, water, and soil caused by the chemical-intensive processes of dyeing, finishing, and manufacturing. Given these moral dilemmas, it is evident that the textile sector is at a turning point in its history, confronting both previously unheard-of difficulties and transformative possibilities. The industry can pave the way for a more moral and sustainable future by addressing these moral conundrums head-on, adopting sustainable methods, encouraging supply chain transparency, and putting worker and animal welfare first. Like many other industries, the textile sector is not exempt from moral

dilemmas. Additionally, the ethical landscape of the textile business is long shadowed by the environmental impact of textile production.

II. OBJECTIVES

The following are the objectives of the study

- To assess how export-driven compliance requirements create ethical conflicts in the textile industry.
- To analyse the impact of ethical conflicts on the business.

III. STATEMENT OF THE PROBLEM

The textile exporters increasingly face complex ethical conflicts while complying with stringent export requirements imposed by importing countries, international buyers, and regulatory bodies. These conflicts often arise in areas such as labor standards, environmental compliance, quality certifications, documentation accuracy, and cost pressures. In many cases, the pressure to meet delivery deadlines, reduce production costs, and satisfy buyer demands may lead to ethical dilemmas such as underreporting, non-compliance with labor norms, use of substandard materials, or greenwashing practices.

Despite the growing importance of ethical compliance in global trade, there is limited focused research examining the specific nature of ethical conflicts faced by textile exporters and how these conflicts affect their operational decisions and international competitiveness. Therefore, a systematic study is necessary to identify the key ethical challenges, understand their root causes, and suggest practical strategies for ethical and compliant export practices in the textile sector.

IV. RESEARCH METHODOLOGY

The study adopts a descriptive research design to systematically identify and analyse the ethical conflicts faced by textile exporters while complying with export requirements. The structured questionnaire was sent to exporters through google form to collect primary data. Other sources include: Research papers and journals, Government export reports, Industry publications, Websites related to textile exports, Books and previous studies were

referred to undergo the research. The various statistical tools used in analysing data using SPSS version 16.0. are Percentage analysis, Descriptive statistics, Garrett Mean Ranking, Spearman Rank Correlation. A sample of 32 respondents were selected for the study from the registered TEA (Textile Exporters Association) exporters.

V. ORGANISATIONAL FACTORS

Table 1 Organisational Factors

FACTORS	FREQUENCY	PERCENTAGE
Type of firm		
Micro	4	12.5
Small	25	78.1
Medium	1	3.1
Large	2	6.2
Total	32	100.00
Nature of Export Activity		
Garment Manufacturing	25	78.1
Knitting	4	12.5
Dyeing & Processing	1	3.1
Weaving	1	3.1
Composite Unit	1	3.1
Total	32	100.00
Years in Export Business		
Below 5 Years	9	28.1
5-10 Years	6	18.8
10-20 Years	13	40.6
Above 20 Years	4	12.5
Total	32	100.00
Nature of products exported		
Knitted	12	37.5
Woven	1	3.1
Garments	19	59.4
Total	32	100.00

Source: Primary data

The Table 1 shows that the majority of respondents (78.1%) are small-scale firms, indicating the dominance of small enterprises in textile exports. Most firms are engaged in garment manufacturing (78.1%), highlighting it as the primary export activity. A significant portion of respondents (40.6%) have 10–20

years of experience, reflecting moderate industry experience. In terms of products, garments (59.4%) form the major share of exports, followed by knitted products (37.5%), while woven products are minimal. Overall, the sector is mainly driven by small firms focusing on garment exports.

**VI. EXPORT COMPLIANCE REQUIREMENTS AND ITS CONFLICTS FACED – DESCRIPTIVES**

The Table 2 shows the distribution of respondents based on the export compliance requirements and its conflicts faced.

Table 2 Export Compliance Requirements and Its Conflict Faced

Variables	N	Mean	SD	Variance	Mean Rank
Export compliance increases operational complexity	32	3.97	0.999	0.999	1
Frequent changes in buyer compliance norms create uncertainty	32	3.56	0.982	0.964	4
Compliance costs significantly affect profit margins	32	3.56	1.162	1.351	4
Compliance with international buyer standards is mandatory for securing export orders	32	3.72	1.301	1.693	2
Export documentation procedures are complex and time consuming	32	3.59	0.665	0.443	3

Source: SPSS output

The Table 2 shows that respondents strongly agree that export compliance increases operational complexity (mean = 3.97), indicating it as the most significant factor. Compliance with international buyer standards (mean = 3.72) is also considered important for securing export orders, though with varied opinions. Export documentation procedures (mean = 3.59) are viewed as moderately complex with consistent responses. Additionally, frequent changes in compliance norms and high compliance costs (mean = 3.56) are perceived to create uncertainty and impact profit margins. Overall, export compliance is seen as a major operational and financial challenge.

The respondents strongly agree that export compliance increases operational complexity with the highest mean score of 3.97.

**VII. COMPLIANCE AREAS BASED ON THE ETHICAL CONFLICT INTENSITY**

The Table 3 presents the Garrett ranking of Compliance areas of respondents based on the ethical conflict intensity.

Table 3 Compliance Areas Related to Ethical Conflict Intensity

Variables	Mean	Rank
Labour Compliance	59.90	I
Environmental compliance	52.25	II
Regulatory and trade compliance	50.12	III
Social compliance	44.03	IV
Safety compliance	42.68	V

Source: Excel output

Based on the mean scores, labour compliance (Mean = 59.90) is ranked first, indicating it is the most significant compliance concern. Environmental compliance (Mean = 52.25) is ranked second, followed by regulatory and trade compliance (Mean = 50.12) in the third position. Social compliance (Mean = 44.03) holds the fourth rank, while safety compliance (Mean = 42.68) is ranked fifth. This

indicates that labour compliance is the most prominent compliance issue among the respondents. Therefore, based on the highest mean it has been concluded that labour compliance has been ranked as I with mean score 59.90

VIII. RELATIONSHIP BETWEEN EXPORT COMPLIANCE REQUIREMENTS AND ITS CONFLICTS Vs ORGANISATIONAL FACTORS

Spearman Rank Correlation analysis was carried out to examine the relationship between selected firm characteristics and export compliance requirements among the respondents. Ho: The Type of firm has no significant relationship with the Export compliance requirements. Ho: The Nature of textile export activity has no significant relationship with the Export compliance requirements.

Table 4 Export Compliance Requirements

Variables	Export compliance requirements		
	N	P value	Sig value
Type of firm	32	-0.174	0.342
Nature of textile export activity	32	-0.284	0.115

Source: SPSS output

The correlation between type of firm and export compliance requirements shows a weak negative relationship with a correlation coefficient of -0.174. The significance value is 0.342, which is greater than the standard significance level of 0.05. This indicates that the relationship between these two variables is not statistically significant. Hence, the null hypothesis has been accepted at 5% level of significance. Similarly, the correlation between nature of textile export activity and export compliance requirements shows a weak negative correlation with a coefficient value of -0.284. The significance value for this relationship is 0.115, which is also greater than 0.05. Therefore, this relationship is also not statistically significant. Hence, the null hypothesis has been accepted at 5% level of significance. Hence, it can be inferred that there is no significant relationship between the type of firm, nature of textile

export activity, and the export compliance requirements among the selected respondents.

IX. IMPACT OF ETHICAL CONFLICTS ON THE BUSINESS PERFORMANCE – DESCRIPTIVES

The Table 5 shows the distribution of respondents based on the impact of ethical conflicts on the business performance.

Table 5 Impact of Ethical Conflicts on The Business Performance

Variables	N	Mean	SD	Variance	Mean Rank
Affect employee morale	32	0.16	0.369	0.136	6
Loss of export orders	32	0.41	0.499	0.249	2
Compliance related stress	32	0.22	0.420	0.176	5
Affect profitability	32	0.31	0.471	0.222	3
Operational inefficiency	32	0.28	0.457	0.209	4
Delay in order execution	32	0.44	0.504	0.254	1
Influences price	32	0.28	0.457	0.209	4
Improves long term sustainability	32	0.22	0.420	0.176	5
Enhance brand or firm reputation	32	0.16	0.369	0.136	6

Source: SPSS output

The analysis indicates that delay in order execution is the most significant impact of ethical compliance (mean = 0.44). This is followed by loss of export orders (mean = 0.41), showing potential business

risks. Factors such as reduced profitability (0.31) and operational inefficiency and price influence (0.28) indicate moderate impacts. Compliance-related stress and long-term sustainability (0.22) show lower influence, while employee morale and brand reputation (0.16) are perceived as the least affected. Overall, ethical compliance mainly affects operational efficiency and business performance.

The respondents mainly experience delay in order execution as the most significant impact with the highest mean score of 0.44.

#### X. IMPACT ON BUSINESS PRACTICES DUE TO ETHICAL CONFLICTS

The Table 6 presents the Garrett ranking of Ethical conflicts and its Impact on business practices.

Table 6 Impact of Ethical Conflicts on Business – Garret Ranking

Variables	Mean	Rank
Profitability	58.06	I
Employee retention	52.56	II
Buyer relationships	49.5	III
Brand reputation	44.87	IV
Operational efficiency	44	V

Source: Excel output

Based on the mean scores, profitability (Mean = 58.06) is ranked first, indicating it is the most significant factor. Employee retention (Mean = 52.56) is ranked second, followed by buyer relationships (Mean = 49.50) in the third position. Brand reputation (Mean = 44.87) holds the fourth rank, while operational efficiency (Mean = 44.00) is ranked fifth. This indicates that ethical compliance is perceived to have the greatest influence on profitability among the respondents.

Therefore, based on the highest mean it has been concluded that Impact on Profitability has been ranked as I with mean score 58.06

#### XI. FINDINGS

The analysis shows that respondents strongly agree that export compliance increases operational complexity, as indicated by a high mean score of 3.97, reflecting the procedural difficulties faced by firms. Garrett ranking reveals that labour compliance is the most significant ethical conflict, securing the first rank with a mean score of 59.90, highlighting the importance of labour-related issues in textile exports. Spearman Rank Correlation indicates no statistically significant relationship between firm characteristics (type of firm and nature of export activity) and export compliance requirements, as the p-values (0.342 and 0.115) exceed the standard significance level. The findings also show that delay in order execution is the major impact of ethical conflicts on business performance, with the highest mean score of 0.44. Further, profitability is identified as the most affected business factor due to ethical conflicts, ranking first with a mean score of 58.06, indicating a strong financial impact on firms.

#### XII. SUGGESSTIONS

Exporters shall regularly conduct internal compliance audits to identify gaps in labour practices, environmental management, and documentation processes before external inspections. As delays in order execution have been identified as the most significant impact of ethical conflicts, firms are intended to streamline operational processes through better planning, coordination, and adoption of efficient supply chain management practices to mitigate such delays. As profitability has been ranked as the most impacted factor, firms shall adopt cost-effective ethical practices and optimize resource utilization to balance ethical compliance with financial performance.

#### XIII. CONCLUSION

The study concludes that ethical compliance has become an essential component of textile exports in the global market. Textile exporters are required to adhere to strict labour, environmental, and regulatory standards imposed by importing countries and international buyers. While these compliance requirements promote responsible business practices,

they also create several operational and financial challenges for exporters. Therefore, it is essential for firms to adopt strategic approaches that integrate ethical practices with business objectives, ensuring that compliance enhances rather than hinders overall performance.

Overall, improving awareness, adopting sustainable practices, and enhancing institutional support will help exporters overcome ethical conflicts and ensure responsible export operations.

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