

**The Impact of Adapting Fair Trade on  
Organisational Performance in Sialkot Sports  
Balls Industry, Pakistan**

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## **Abstract**

This study contributes to an understanding of how the adaptation of fair trade impacts the organisational performance in the Sialkot sports balls industry. Presently, minimal research is available investigating the fair trade practices in Sialkot and the impacts of such practices, and overall organisational performance. Therefore, South Asia shows a blurry picture of fair trade role in various industries, particularly sports balls. Sialkot is the only city in South Asia where six sports firms are registered under fair trade. The research investigates how the fair trade approach has impacted the organisational performance that includes the 3P's (people, planet, and profit). A mixed methods approach was chosen, integrating qualitative and quantitative research components to assess the impact of adapting fair trade on a specific performance indicator to understand more about the progress of the Sialkot sports industry. The data was collected through fifteen semi-structured interviews from management, and five focus groups, with the intention of avoiding the limitations of small samples and gaining from the benefits of triangulation. The target was to interview three people in each firm's senior management positions. The total fair trade registered firms were six in the Sialkot sports balls industry. There was one focus group from each firm involving eight to ten workers from various Units. The focus group individuals were mainly based on workers from factory stitching units because of their proximity to fair trade practices and premium projects. The findings of semi-structured interviews of the management and focus group were analysed using NVivo software, and this was done using thematic analysis. The profitability of the firms was measured using the performance sales growth indicator. The study focused on the relationship between fair trade and conventional sports balls sales. The indicators covered 11 years of data from 2009 - 2019 to calculate the ten years of sales growth, including sales of fair trade and conventional sports balls. The statistical analysis was conducted through SPSS software. The findings showed a need to integrate contextual factors and fair trade practices to configure business operations aligned with the three dimensions (3P's) of organisational performance. Further results revealed a significant impact of fair trade premium money on factory workers' life in various ways. The study also revealed one of the main aims of the sports industry was to adapt fair trade, which was fair trade as a PR gimmick tool. The statistical data showed modest sales of fair trade products. Also, the correlation and regression analysis found no relationship between fair trade and conventional product sales growth. The data showed the sports industry's positive efforts to protect the environment by taking strict measures to dispose of chemical waste and converting the printing facility to water-based ink. The study indicates that by supporting business processes and operations with a practical strategic framework, the industry can successfully achieve the desired goals through fair trade. The study concludes that there is an immense potential for sports firms' growth by adapting fair trade. However, fair trade and the Sialkot sports industry must work together to promote sports products and achieve ultimate goals.

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Most importantly, I am grateful for my family and friends unconditional love and support.

## **Declaration**

I hereby declare that this thesis entitled “The Impact of Adapting Fair Trade on Organisational Performance in Sialkot Sports Balls Industry, Pakistan” is my own work which has been done after registration for the degree of Doctorate at UWTSD and has not been previously included in a thesis submitted to UWTSD or any other University for a degree or other qualifications.

Signed \_\_\_\_\_

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## **GLOSSARY**

AKI – Anwar Khawaja Industries

BSC – Balanced Score Card

CBI – Community Based Initiatives

CLM – Child Labour Monitoring

CSF - Critical Success Factors

CSR – Corporate Social Responsibility

EFTA – European Fair Trade Association

FMCG – Fast Moving Consumer Goods

FT – Fair Trade

FTB - Fair Trade Balls

FTF – Fair Trade Federation

FPC – Fairtrade Premium Committee

FINE – Acronym of FLO, IFAT (now WFTO), NEWS and EFTA

FLO CERT – Fair Label Organisation Certification

FLO – Fair Label Organisation

FMCG – Fast Moving Consumer Goods

IFAT - International Federation for Alternative Trade

ILO – International Labour Organisation

IFTA – International Fair Trade Association

HBS – Harvard Business Review

NEWS – Network of European Worldshops

NFTB – Non Fair Trade Balls

PEPA - Pakistan Environment Protection Authority

PPE - Personal Protective Equipment

PVC - Polyvinyl Chloride

PU - Polyurethane

RSL - Restricted Substances List

REACH - Registration, Evaluation, Authorisation and Restriction of Chemicals

R & D – Research and Development

SDG – Sustainable Development Goals

SME – Small Medium Enterprises

UNEP – United Nation Environment Programme

WFTO – World Fair Trade Organisation

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Introduction**

The first chapter of the thesis provides the personal and professional motivation behind investigating the selected topic of fair trade and organisational performance in the sports industry of Sialkot city of Pakistan. The primary purpose of this chapter is to introduce the topic and provide a rationale for conducting the research. It also covers the critical research problem underlying the current investigation and the set of main research question, sub-questions, and objectives developed for the successful accomplishment of the research. The chapter also includes a brief overview of the research methodology (details of which will be given in chapter 4), theoretical and practical significance, and thesis layout for the subsequent chapters.

### **1.2 Background Study**

#### **1.2.1 What is Fair Trade?**

Fair trade is a social movement that attempts to achieve several goals. The primary and well-known is to offer prices that provide a basic livelihood for producers (Mohan, 2010). Moreover, Fair Trade has various goals, involving longer-term producer trader relationships and improved working conditions (Dragusanu, Giovannucci & Nunn, 2014). It promotes labour and environmental standards, social policy goals in the production areas and dealing of fair-trade categorised products. It is focused on market-based strategies to activate awareness in buyers to help workers and marginalised producers to improve economic security (Mohan, 2010; Lyall & Havice, 2018). Fair trade ensures organised contractual terms and market structure without being directly involved in commodity production and trade to bring benefits to producers and workers. In last two decades, fair trade transformed dramatically. Initially, it emphasised on the certifying cooperatives but then it involved in a series of development schemes with cooperatives that includes gender equality, climate change mitigation and micro finance projects (Lyall & Havice, 2018). The fair trade allows producers an access to the new markets in developed countries as fair trade allows the trading in an international market where they otherwise have been traded domestically (Hughes, 2008). Its key focus is to export goods from



third world countries to developing countries. FINE, an umbrella organisation of fair trade networks crafted a most recognised definition of Fair Trade in 2001;

*“Fair Trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.”*

Fair trade is a concept that encompasses various general principles, but there are specific characteristics that distinguish labelled products, according to sources such as Mohan (2010) and Miller (2017). One such characteristic is that merchants who participate in fair trade agree to pay a minimum price to producers that covers their production and living costs. In addition, traders also pay an extra premium of five to ten percent to support development and complaints costs, on top of the minimum price. For a commodity to be registered as fair trade, it must meet certain environmental and social criteria. To promote long-term stability, traders are encouraged to buy directly from producer organizations as much as possible, using long-standing contracts to reduce intermediaries. These principles of fair trade aim to promote greater equity and sustainability in global trade practices.

### **1.2.1 Fair Trade Policies**

Amidst the fast pace of globalisation and technological revolution, fair trade policies are gaining significant momentum due to their focus on the producers' social, economic, and environmental well-being in different industries (Marcovitz, 2011; Raynolds & Bennett, 2015). The concept of fair trade has modified the traditional way of performing trade by allowing improved prices, decent working conditions and a fairer deal for farmers and workers in developing countries simultaneously (Abbasi and Din, 2015; Holmes and Imai, 2019). Fairtrade policies allow the producers to benefit from the fair-trade premium, training programs, long-term contracts, and pre-financing. According to Fair Trade International (2020), sports ball industry employees are people from low income working in precarious conditions. Therefore, fair trade policies are necessary for empowering the workforce to help

them modify their unsatisfying situations and obtain their fair share of the international sports ball business.

The ethical concern associated with business practices is the reason behind developing and implementing the fair-trade policy. In the world's developed countries, there has been an extensive investigation of the fair-trade policies in different industries such as coffee, banana, cotton, and tea-producing sectors across the globe (Holmes, 2015; Smooth, 2010; Lautz, 2011; Smith, 2011; Holmes & Imai, 2019). However, globally, the sports ball industries are investigated in a limited manner, specifically in developing countries such as Sialkot city of Pakistan, China, India, Thailand, and Vietnam (Fair Trade International, 2020). Regarding the Sialkot sports industry, research has been conducted on child labour and working conditions (Fatima, 2017; Lund-Thomsen & Nadvi, 2010; Naz & Bogenhold, 2020). Certain core areas such as, triple bottom line (TBL) need to be addressed.

On the other hand, the world's developed country relies on developing countries for their sports industry products. According to the international fair trade, several Pakistan factories are responsible for producing approximately 70% of all hand-stitched sports balls. Employees in these industries are constantly working for about 12 hours shifts and six- and seven-day workweeks (Fair Trade International, 2020). The sports power industry also employs a sizeable percentage of women and children workforce, constantly experiencing discrimination and harassment and offering relatively low compensation compared to the male gender. Therefore, these developing countries need to identify the importance of adapting fair trade regulations to increase the organisational practice necessary for strengthening their performance (Fair Trade International, 2020).

The fair-trade policies help certify the production of balls for football, handball, volleyball, and rugby players simultaneously (Raynolds & Bennett, 2015; DeCarlo, 2007). The fair-trade standards at the international level include all handstitched, machine-stitched, and Thermo bonded sports balls (Fair Trade International, 2020). The main goal behind these policies is to ensure that the workers receive the legal minimum wage, which is likely to increase according to the changes in the working conditions of the workers (Abbasi & Din, 2015). Likewise, the fair-trade policies are also helpful for the collection and use of fair-trade premium (an additional 10%) to provide an opportunity to the local communities of the workers to increase economic, social, and environmental development (Wright & McCrea, 2008; Johanson, 2009). Besides offering significant benefits, the reason behind adapting fair trade policies in the sports

industry is to ensure that workers are prevented from the risk of child labour and other forms of exploitation against them (Fair Trade International, 2020).

In this context, fair trade policies are generally categorised into four key standards developed for stakeholders: standards for small producer organisations, common standards for hired labour, standards for contract production and standards for traders (Abbasi & Din, 2020; Fair Trade International, 2020). At this point, it is essential to identify those fair-trade policies not only prevent the exercising of Labour violation practices but also focus on the rights and concerns of the producers and contractors involved in trading the products across the national and international boundaries. Due to the focus of fair-trade centres on the interested benefits of multiple stakeholders in the supply chain, fair-trade labels in different sectors, including the sports ball industry, are finding themselves in competition with each other by increasing their approach toward the mainstream ethical issues within the trade as well as business practices.

Previous researchers (McDonald, 2014; Abbasi & Din, 2015; Raynolds & Bennett, 2015) have highlighted the significance of critical principles and goals of fair trade policies for exhibiting essential insights for the producers and buyers of these factory's labels in different sectors and industries. Understanding these goals and principles can benefit the sports ball industry in the Sialkot city of Pakistan. The set of seven principles of fair trade include.

- *“Creating opportunities for economically disadvantaged producers*
- *Transparency and accountability*
- *Capacity building*
- *Payment of a fair price*
- *Gender equity*
- *Improved working conditions*
- *Improved environmental practices.”*

On the other hand, the literature has identified a set of four goals, which are as follows:

- *“Improve equity development opportunities for producers*
- *Protect human rights*
- *Raise consumer awareness*
- *Improve conventional international trade practices.”*

It can be depicted from the principles mentioned above and goals that fair trade tends to encourage ethical practices among the producers and buyers, however not sacrificing the profitability for the producers and buyers of these labels relatively to the labels and brands produced via traditional non-fair-trade approaches. These lists can help the sports Ball industry in the Sialkot City of Pakistan benefit from the overall goals.

Furthermore, the relationship between fair trade policies and practices and sustainability cannot be undermined. According to the Fairtrade Foundation UK, the primary purpose behind fair trade is to enhance standards of living and decrease the risk and vulnerabilities for farmers and workers across the globe (Fairtrade UK, 2020). Such policies allow them to protect themselves from vulnerabilities to price volatility, which is necessary for better income. In this context, fair trade will likely support environmental protection and climate change adaptation required to sustain global resources. In this context, fair trade standards are used to train smallholder farmers and workers about environmentally friendly practices. These standards further guide the producers to adapt to climate change policies and mitigate their business practices' impacts on the overall environment (Fairtrade UK, 2020). In this regard, Perelet et al., (2014) have further indicated that fair trade policies and practices are designed to help the producers and manufacturers understand the importance of sustainable use of factors of production such as capital, labour, land, and material.

In this matter, the business organisation adapting fair trade policies can offer an advantage to all participating parties and players without exploiting the trade relationship with any of them (Perelet, *et al.*, 2014; Marcovitz, 2011; Valiente-Riedl, 2012). Perelet *et al.*, (2014) further added that through two significant ways, fair trade issues could be promoted, such as the promotion of the social problems and an increase in consumer awareness. Additionally, by engaging and promoting fair trade commitments including fair compensation wages in the local context, offering equal opportunities to all the people in terms of employment, engaging in environmentally sustainable practices, creating long-term trading relationships and networks, and offering health and safety working conditions and providing financial and technical support to the employees whenever needed can further allow the businesses to attain the sustainability goals vitally.

After gaining a general understanding of the fair trade policies and practices and their effectiveness in different industries across the globe, the next section of the chapter provides an overview of the sports balls industry is presented in the Sialkot city of Pakistan to identify

the research problem associated the fair trade policies and practices with our sports power industry relatively.

### **1.2.2 Overview of the Sialkot City of Pakistan**

Sialkot is one of the prominent cities of Pakistan, famous for its extensive production and exports of sports balls around the world (Abbasi & Din, 2015). The city currently produces around 70% of the sports balls (Khattak & Stringer, 2017). Sialkot city is well known as one of the major industrial hubs of the country because of its expertise in producing export quality goods in different fields such as surgical instruments, leather products and musical instruments (Abbasi & Din, 2015). According to the recent statistics, Pakistan is solely supplying approximately 40 million footballs annually and around \$210 million through the export of such footballs across the globe (Khattak & Stringer, 2017). It has been reported that the number of sports products also increases during the time of the World Cup. Likewise, a significant percentage of the skilled and unskilled workers are involved in stitching the footballs and other sports Ball in various city centres such as Gujarat, Wazirabad and Jhang (Abbasi & Din, 2015).

At present, the market for sports goods in the city is at a peak. The city has gained international significance due to its choice of appropriate raw material for designing and manufacturing process simultaneously. The city is engaged in producing distinct kinds of balls for different sports. However, currently, the sports ball industry is facing challenges due to funding deficiency, lack of public support, and the inability to adapt advanced manufacturing and production technologies. Additionally, adverse workforce practices are also placing significant impacts on the performance of the industry such as child labour practices, skills deficiency, political instability for the local exporters and the current situation of law and order in the country (Mansoor, 2011).

Additionally, among the six factories certified for producing fair trade sports balls across the globe, all of these are in Sialkot. These factories are producing high standard quality products based on the criteria identified by the FIFA approved, FIFA Inspected or International Match ball Standards (Scottish Fair Trade Forum , 2014 ). Besides benefiting workforce, fair trade policies are also benefiting producers by ensuring that the ingredients used for producing the balls are satisfying the criteria of fair-trade standards. Similarly, fair trade regulators also helped the producers in accessing fair trade premium and distributing it for the local communities such as for healthcare projects, educational projects, credit unions or for

providing free transportations. Similarly, funds gathered from fair trade premium are also used in the provision of water purification plants to the rural village areas (Scottish Fair Trade Forum, 2014).

The purchasers of the sports balls under fair trade terms are likely to enjoy the best quality and ethical contribution necessary for their CSR reputation. Corporate social responsibility requires the business organisations to stay attentive to the needs of the local communities and the public at large by responding to the social and environmental dimensions of the business along with the economic aspects. It is important to differentiate between the fair-trade minimum price and fair-trade premium paid by the purchaser or buyer of the goods to the producer organisation. The Fairtrade minimum price is the benefit offered to the buyer by allowing them to pay the lowest possible price to the producer organisation (Khattak & Stringer, 2017). However, they are asked to pay an additional sum of money in the account of premium to help improvement in the community. Nevertheless, the original price cannot be considered as an additional or unfair cost associated with the products (Abbasi & Din, 2015).

### **1.3 Research Problem**

Amongst the problems identified for the sports ball industry in Pakistan, it is extremely important for the business organisations operating in the industry to identify the impacts on their overall organisational performances (Abbasi & Din, 2015; Mansoor, 2011). It is expected that inability to address the fair-trade policies in the strategic framework of sports ball organisations, can lead to significant adverse impacts on their market reputation and market shares across the globe. It is high time that the business organisations, as well as the industry, recognised the importance of fair trade policies similarly to other industries. For instance, coffee industry in Africa to ensure sustainable competitive advantage eventually. Adapting as well as sustaining the fair-trade regulations appear as highly critical for bringing the ethical trend in Asian businesses (Mansoor, 2011).

Furthermore, the stigma of child labour is also associated with this sports ball industry in the country, where the authorities are engaged in improving the situation according to the International Labour Organisation – International Programme on the Elimination of Child Labour (ILO – IPECL) and the Independent Monitoring Association of Child Labour (IMACL) (Dinar Standard, 2011). According to the business community, these problems can be resolved by streamlining the casual workforce and offering the minimum wage, overtime, social

security, old-age, and medical facilities respectively. In this regard, training and educating the workers regarding the new technological approaches available for improving and optimising organisational performance can play a pivotal role (Dinar Standard, 2011). However, contrary, the application of fair-trade practices and labels does not guarantee the protection of child labour in many of the handmade product industries. In discussing the example of Rug Mark Foundation, Good Weave certification label was helpful for handmade carpets which are aimed to eliminate child labour in the industry, yet it appears to employ hundreds of thousands of children despite the fair trade label (Murray, 2012).

Similarly, the current industry is also suffering from lack of recognition problem where generally Sialkot sports balls industry has gained global recognition, however, local manufacturers in the city are unable to receive the same reputational benefits for their high-quality products. At present, many of the local manufacturers are struggling to achieve the same recognition as they truly deserve (Dinar Standard, 2011). Probably, the reason behind is the influence of giant size manufacturers as well as the regulatory keeping the low-level local manufacturers aside. At this point, it is important to remind that a large mass of people in the country is associated with the small or medium-sized businesses and are unable to gain global recognition with now policy and practice support from the authorities. In this context, it is expected that the fair-trade policies can assess these local manufacturers in attaining a share of recognition among the international players simultaneously. Consequently, the share is likely to add up in the improved organisational performances of these players (Dinar Standard, 2011).

Likewise, in the developing and low-income countries like Pakistan, there has been a constant problem of workers switching from one industry to another due to low wages and extensively fluctuating demand levels. To deal with such issues, fair trade policies are extremely important to maintain the level of workers in specific industries avoiding their continuous mobility leading to low wages. Unfortunately, extremely limited literature is available investigating the fair-trade practices in Sialkot and the impacts of such practices and overall organisational performance. The current study aims to bridge the research gap related to such literature efficiently. Additionally, for filling the knowledge gap associated with previous fair-trade studies, it would be extremely important to indicate how appropriate guidelines can be implemented for improving organisational performances of the sports industry of Pakistan.

## **1.4 Research Aim**

The present research aims to identify the impact of adapting Fair Trade on organisational performance, focusing on studying the sports industry in Sialkot city, Pakistan.

## **1.5 Main Research Question and Sub-Questions**

Based on the research problem identified above, there are significant issues faced by the Sialkot's Sports ball industry, such as low wages, child labour, illegal working practices, low recognition for low-level manufacturers and lack of collaboration among the different stakeholders. Therefore, it is expected that fair trade will likely impact positively by eliminating all these problems to a greater extent and by relatively increasing the overall organisational performance of the sports industry. Therefore, in line with the aim of the research, the main research question of the study was developed as:

- How does adapting fair trade impact organisational performance in Pakistan's Sialkot sports balls industry?

The main research question is further categorised into three sub-questions for the comprehensive analysis of the research problem and to seek appropriate solutions for integrating fair trade practices in the sports business of Pakistan.

1. What does the literature on fair trade regulations, practices and implementation in the Sialkot sports industry critically evaluate?

The first sub-question in this thesis is developed to identify the range of literature on fair trade regulations, norms, and practices in general as well as in the sports ball industry at the international level for critically evaluating how such laws are shaping the business practices of the industry players such as manufacturers, suppliers, buyers, and workforce. The above-mentioned fair-trade regulations and their purposes for the different stakeholders can be applied to the sports ball industry in assessing how the players in such intensity are addressing the concerns of the stakeholders by pursuing fair trade regulations, norms, and practices, respectively.

2. How can the fair trade effect on workers, sales growth and environmental protection be explored with a focus on the sports balls industry, Pakistan?



The second sub-question in this thesis is developed to identify the relationship between fair trade practices and organisational performance. For this purpose, different factors generally influencing organisational performance would be reviewed in the literature and later used to investigate empirical research findings from the sports balls industry of Pakistan.

3. How can a strategic framework be recommended to integrate fair trade practices to improve organisational performance in sports business, Sialkot Pakistan?

The third sub-question in this thesis is developed to understand how fair trade practices can be integrated into the current organisational practices to increase performance. The main goal behind this objective is to create a strategic framework for the sports ball industry in Sialkot. These recommendations would further help the local players in the industry to attain recognition among the international stakeholders especially buyers. Additionally, they would reap the benefits of a sustainability framework such as a planet, profit, and people necessary for reducing the number of identified issues in the research problem.

## **1.6 Objectives**

For the successful accomplishment of the research aim, the set of the following research objectives is developed.

- To critically evaluate the literature on fair trade regulations, practices, and implementation.
- To explore the effect of fair-trade practices on workers, sales growth, and environmental protection with a focus on the sports balls industry, Pakistan
- To recommend a strategic framework to integrate fair trade practices to enhance organisational performance in sports business, Sialkot, Pakistan.

## **1.7 Research Rationale**

The rationale behind conducting the current research is to assess the situation of the Sialkot's sports ball industry in line with the fair-trade policies and simultaneously offer improvements. The study was intended to identify and evaluate the key performance indicators such as people, profit, and planet (3P). Additionally, since fair trade is recognised as a social labelling program, therefore, investigating it in the context of the Pakistani sports ball industry can assist in identifying how such programs can result in reducing poverty and injustice and hence help in

the improvement of livelihoods of producers and workers (Valiente-Riedle, 2012; Mansoor, 2011). The main reason behind selecting this topic for the different current thesis was to identify how predefined code of conduct and standards, as well as working conditions in Sialkot, are convicting, or supporting the adoption and implementation of fair-trade policies to improve the overall organisational performance in multiple dimensions to transfer the benefits to a multitude of stakeholders such as producers, manufacturers, and others simultaneously.

So far, limited research has been conducted on fair trade, particularly in the Sialkot sports balls industry (Abbasi & Din, 2019; Lund-Thomsen & Nadvi, 2010; Naz & Bogenohold, 2020). The research has focused on workers' welfare, child labour and poor working conditions. However, various studies' chosen methodology and sample sizes could have improved data validity. So far, no research has focused on the triple bottom line, such as people, planet, and profit. It is essential to address and fill the research gap in the areas of sports balls as soccer is the most popular sport in the world. It is a big industry with its leading global clubs, star players and major tournaments, watched and idolised around the globe (Lund-Thomsen *et al.*, 2011). In most tournaments, the handstitched soccer balls are ordered from Sialkot city. Sadly, little attention has been paid by football fans and renowned players to how sports balls are produced and the labour effort behind world-famous sports. It is high time to draw a clear picture of the fair-trade impact on the Sialkot sports balls industry as it has been operating in Pakistan for the last 18 years, and Pakistan has been under international scrutiny for exploitation of workers' rights, low pay, inhuman working conditions, and employment of child labour in the manufacture of sports balls. Also, the sports industry and football are the first product in Pakistan certified by Fairtrade (Abbasi & Din, 2019). Therefore, the research provided an exceptional opportunity to explore the fair-trade effectiveness of 3P.

There are several reasons why the industry needs to adapt fair trade. Firstly, fair trade encourages moral and environmentally friendly economic methods. Fair trade aids in addressing the social and environmental problems that are frequently connected to traditional trade practises by ensuring that farmers and workers receive fair wages and secure working conditions (Barratt, 2007; Fairtrade Foundation, 2021; Kilian & Jones, 2012; Fairtrade International, 2021). As a result, the supply chain will likely be more sustainable and the communities where the items are made will likely see more benefits.

A second benefit of fair trade is that it can aid in addressing concerns with economic inequality (Kilian & Jones, 2012). Farmers and labourers may receive extremely low pay in many developing nations, which can cause poverty and financial difficulty. By setting a fair price for the goods, fair trade can help with this problem by enabling farmers and workers to make a living wage and support their families (Barratt, 2007; Tallontire et al., 2020; Fairtrade International, 2021).

Thirdly, fair trade can give marginalised and small producers access to the world market. Fair trade can help level the playing field for small-scale farmers and producers who might otherwise find it difficult to compete in the global market by offering a fair price and encouraging sustainable farming methods (Fairtrade Foundation, 2021). Finally, businesses themselves can profit from the adoption of fair trade practises. Companies can improve their brand reputation and draw customers who are more concerned about the social and environmental effect of the items they buy by encouraging ethical and sustainable business practises (Barratt, 2007).

In general, the industry's adaption of fair trade is critical for advancing moral and environmentally friendly business practises, addressing issues of economic injustice, giving opportunities to small and marginalised producers, and enhancing the success of businesses themselves. Companies can contribute to the development of a more just and sustainable global economy by implementing fair trade practises (O'Rourke, 2020; Kilian & Jones, 2012).

## **1.8 Theoretical and Practical Contributions**

Like every academic investigation, the research findings in the current thesis are also expected to end up in theoretical and practical contributions. Theoretically, upon the successful completion of the research, the strategic framework recommended for the sports ball industry is anticipated to enhance organisational performance and offer a competitive advantage. Additionally, these recommended strategies would help the sports ball industry in Sialkot to adapt fair-trade regulations. The suggested policies-based recommendations would assist in increasing the organisational sales, production, demand, image, and market shares, respectively. In this regard, the changes made by the sports ball company in Sialkot would assist in adapting ethical regulations in Pakistan and South Asia. Furthermore, the same will assist in the ethical trend in Asia businesses. The research findings would help connect the

sports industry in a global sports village while also Sialkot industry the guidelines to improve organisational performance, respectively.

Furthermore, theoretically, the findings of the current research would provide an addition to the existing knowledge in the previous fair-trade studies (Holmes & Imai, 2019; Abbasi & Din, 2020; Dragusanu, Montero & Nunn; 2022; Cramer et al., 2017), which were only limited to the investigation of banana, coffee, tea, cotton and chocolate in Africa and some parts of Asia such as Sri Lanka. A comprehensive review of academic literature and empirical findings in this thesis will be of value-adding a component to the Fair Trade.

### **1.9 Overview of Research Methodology**

A mixed research methodology was selected for the current investigation. The primary qualitative method included individual interviews in the management and focus group approach for factory workers. The research attempted to gather the experiences, feelings, motivations, and perceptions of the individuals directly involved in the fair-trade practices within the Sialkot sports ball industry in Pakistan. The quantitative method was applied as a minor method to understand the correlation of sales growth between fair trade and conventional sports balls and further spread the regression analysis to predict the fair trade balls sales. In this regard, the data were collected in two stages using the strategies of document analysis and interviews. In the first stage, document analysis was carried out to systematically review the key performance indicators from the public reports of the selected six fair trade organisations from Pakistan (Talon Sports, Vision technology Corporation, AKI, Comet sports, Bola Gema, and Ali Trading Company). During the initial research about Fairtrade registered firms, six registered firms were found that included Tramondi Pakistan. However, during the data collection trip, it was found out that Tramondi Pakistan has stopped renewing Fairtrade registration, but a new firm registered by Fairtrade known as Comet sports added to the list. The performance of the selected businesses was analysed using the critical performance indicators based on triple P (people, planet, and profit), which had also shed light on corporate social responsibility (CSR) goals and long-term impact on the community. In the second stage, qualitative focus group interviews were conducted; each sample involved 8 to 10 people from various departments of the selected organisations. It included one focus group for each firm factories and stitching units. However, the newly registered firm (Comet sports) were hesitant to provide an access for the focus group discussion. The focus group was based on the factory workers that had endorsed the actual influence of fair-trade premium projects and their long-

lasting impact on their livelihood. These participants were enquired about the same performance indicators that impact fair trade policies on the overall organisational performance in their business organisations. Additionally, people from middle management to operating staff groups were entirely supportive in understanding the situation effectively. Step two also covered interview sessions from the three participants per four firms, two participants from the fifth firm and one participant from sixth newly registered firm. The finding of the focus group sessions from the stitching unit workers and interview sessions with the executives helped provide great insights about the research issue simultaneously.

### **1.10 Research Layout**

Besides this introduction chapter, the remaining portion of the thesis is divided into five separate but interlinked chapters.

The second chapter tends to present a critical review of the literature on fair trade regulations in Pakistan, organisational performance, corporate performance measurement in terms of fair trade effect on workers and community, sales trends, environmental protection. The chapter also critically reviews the relationship between fair trade and key factors attached to organisational performance.

The third chapter presents a review of the literature on an overview of the Sialkot sports industry, the challenges to the industry and the performance of the fair-trade sports firms.

The fourth chapter describes and justifies the choice of research methodology and its components selected for this thesis's data collection and analysis. The chapter highlights the reason behind the specific strategy and approaches, i.e., employing qualitative methodology as the primary method and quantitative as a minor method to study sales growth, using document analysis and interviews. The chapter covers ethical considerations for the research.

The fifth chapter presents the state of findings gathered from the primary participants, such as executives, focus group participants and statistical figures from the sports ball industry in Sialkot, Pakistan.

The sixth chapter discusses the primary and secondary data findings intending to cross-relate theoretical background with the preliminary data findings to identify similarities and differences. These discrepancies would allow for suggesting and recommending appropriate

improvements for adapting fair trade policy to enhance the organisational performance of the Sialkot's sports ball for literacy in Pakistan.

The last chapter of the research presents the conclusion, contribution, and recommendations for future research. The chapter also covers research limitations, which may limit the generalisation of the research findings.

### **1.11 Conclusion**

The first chapter of the thesis sets out the research context and justifies the rationale behind selecting the research problem associated with Sialkot's sports balls in Pakistan. By providing evidence from the preliminary literature, the chapter has ended up with the development of comprehensive aim and research objectives. Additionally, it also provides a brief overview of the proposed methodology to be used for the successful accomplishment of the identified aim and objectives. Based on the to-the-point findings highlighted in the introduction chapter, subsequent chapters of the thesis can be easily structured. The next chapter of the thesis presents a critical literature review.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides an overview of fair trade and its impact on various global sectors. The chapter will cover the essentials associated with the research. The focus also includes a critical overview of fair trade. In recent decades fair trade has arisen as a buzzword through socially sensible firms, social scientists, global development practitioners, ethical customers, and ethical label activists. As an ideology, fair trade debates inequality in the global industries and believes that trade can be more practical and ethical (Raynolds & Bennett, 2015; Casteran & Caileban, 2008). Thus, fair trade can be best classified as a ‘social regulation’ that involves various social actors and follows numerous goals (Raynolds, 2012).

The chapter also presents a critical review of the literature on the fundamental research variable of organisational performance, such as factory workers, market shares and environmental protection; and fair trade policies intending to identify how the existing research has discussed the same issues differently. The review would help simultaneously identify the similarities and differences in the academic researchers' perceptions. Such thinking would further assist in comparing the primary data findings gathered from the Sialkot sports industry with the broader literature shared necessary for reaching an idea of good fusion.

### **2.2 The Fair Trade System**

Fair trade does not characterise itself to fill the gap among manufacturers and consumers through trademarks and advertisement (Dam, 2020). However, it builds the gap by more direct dealings that profits all the players. Historically, in the 1950s alternative trade was first established through the efforts of religious and political groups where parallel commercial systems were established. It became a reality when in 1988, the Dutch fair trade association formed the first max Haverlaar label (Dam, 2020; Toulouse and Benmecheddal, 2020). The fair trade coffee access to supermarkets and traditional stores became possible through the fair trade logo. This possibility encouraged the creation of other national initiatives, that subsequently begun to cooperate (Jones and Williams, 2012). The foremost part to implement fair trade is the certification, where it allows fair trade logo on the registered products that consumer can easily recognise. The label allows producers an access to international market,

and it has an independent third-party certifier that promotes trust in their inspection of business practices (Jones & Williams, 2012; Dragusanu, Giovannucci & Nunn, 2014).

'Fairtrade' as one word is used by Fairtrade International to distinguish it as certification mark and indications to their specific market, whereas 'Fair Trade' shows a general initiative without indication to a specific certification (Dragusanu, Giovannucci & Nunn, 2014). The 'Fairtrade' product certification and labelling classification is directed by the Fairtrade Labelling organisation (FLO) which is a global certification and standard setting organisation for Fairtrade label. FLO was created in 1997; its mission is to improve the livelihood of poor marginalised producers in third-world countries by implementing Fairtrade standards and generating a framework that assists a business to operate in conditions valuing their interests. In addition, FLO acknowledges Fairtrade standards-setting, trade audit, product certification and support services for producers. All the companies registered under FLO follow fair trade standards (Hutchens, 2010). According to Woodward (2016), four fair trade standards are channelised in global guiding principles, with around 21 products being generally fair trade certified. The four significant standards have been recognised as 'standards for hired labourers,' 'for small producer organisations,' 'for contract generation, and 'for traders. It may be seen that coffee is the oldest fair trade certified product which falls under 'standard for small producer organisations. On the other hand, bananas are categorised as 'standard for hired labour.'

### **2.2.1 Role of FLO**

As far as Fairtrade Labelling Organisations (FLO) is concerned, a complete code of conduct has been designed, which is required to be followed by the registered producers not only in Pakistan but in other countries active in South Asia. To qualify for the certification, the producers must ensure that the different dimensions are followed. As per the labour condition clause, emphasis on non-discrimination, health, and safety, volunteer labour, no child labour, and proper employment conditions are essential. In addition to the fundamental development, Bourn (2018) suggests another aspect of the standard of hired labour category, such as the formation of the Fairtrade Premium Committee (FPC) that is an indication of the same. The committee is responsible for handling and deciding how the premiums should be spent, which are collected through sales of fair-trade sports balls. The collected premiums are often utilised for funding development projects (Raynolds, 2018; Abbasi & Din, 2020). The primary focus of the FPC member decisions is linked with the capacity-building idea, which is simultaneously managed through the management of committee workers.



Another critical factor incorporated in the standards of hired labour is the payment of fair wages to the workers and reasonable prices for the products. Fair wages are recognised as the minimum wages per the local or national legislation (Raynolds, 2017). It has one of the crucial standings concerning the maintenance of substantial standards. Furthermore, the fair price can be regarded as per the world equilibrium set by the FLO Internationals (Richardson *et al.*, 2017). The additional payments extended from the customers' parts are generally utilised as premiums collected by the workers, and collective decisions regarding the expenditure for the development process are undertaken.

### **2.3 The Mechanism of Fair Trade Standards**

Fair trade principles support organisations for effective monitoring of ethical practices that include labourers' rights, minimum wage, working conditions, poverty, inequality, and a spillover effect on the community (Sylla, 2014; Dragusanu & Nunn, 2018). One of the main goals of fair trade is to reduce the poverty level among the workers in developing countries (Verick, 2019). It helps to protect the local environment so that all the resources remain for future generations (Sengupta & Shukla, 2019). Most importantly, fair trade principles create opportunities for economically and marginalised groups of workers (Chadwick, 2019).

The fair trade method of poverty alleviation and sustainable development can only be achieved through long-term trading partnerships with other organisations. In addition, without creating any opportunity, the poverty alleviation method cannot be performed (Kim *et al.*, 2019). A healthy and safe working environment is essential for any production process, as Chandra (2019) stresses ensuring fresh air access and safe working practices. Supporting safe and empowering working conditions for all workers helps avoid inequality, discrimination, and forced labour (Banet-Weiser & Sturken, 2019).

Effective use of resources and capacity building can advantage producers to improve overall business and sustainability (Dunbar, 2019). Organisational growth can potentially face barriers without improving the overall capacity. Promoting fair trade policies and awareness among all the employees within the organisation is essential. Eventually, such policies educate producers and shareholders directly or indirectly about the fair trade system (Perrini & Russo, 2019; Fraser, 2019). As a result, this approach inspires similar businesses to adapt ethical practices.

Avgouleas and Donald (2019) stress on the employees' minimum wages, therefore, to ensure fair trade minimum wages policy and maintaining the demand for the goods; it is essential to communicate cost and pricing structure to the clients. Hence, it will justify the efforts one has put into producing a particular product or service to gain organisational growth and development. Communicating the cost and pricing structure is essential to adapt fair trade policies (Yochelson, 2019).

#### **2.4 Fair Trade Era and Significance of Sialkot Sports Industry**

The social labelling program fair trade has been operating in Pakistan for the last 18 years. The sports industry is the first, and football is the first product in Pakistan to be certified by Fairtrade (Abbasi & Din, 2019). Four companies operating in Sialkot received the Fairtrade certification in 2002 (Raynolds, 2017). There are six companies in Sialkot that have a certificate of fair trade (Abbasi & Din, 2019).

The sports balls industry of Sialkot produces more than 70% of the hand-stitched balls sold in the global market (Naz & Bogenohold, 2020). Remarkable events such as the football World Cup, for example, Brazil world Cup (2014) tournaments also ordered balls made by the sports balls industry of Pakistan. According to Fayyaz *et al.* (2017), this area became immensely popular as a producer of high-quality sports products during the 1980s when it invented the 'Tango Ball' for Foot Ball World Cup (1982). Large-scale global brands such as Nike, Adidas, Select, Puma, Umbro, and Micassa invest their money in that industry and conduct their manufacturing functions in Sialkot. Therefore, it is evident that Sialkot's sports ball industry significantly impacts that country's economy (Bagh *et al.*, 2017).

Sialkot's football industry produces 2 million hand-stitched balls annually in the global market (Atkin *et al.*, 2016). It generates tremendous revenue yearly and creates job opportunities for more than 40,000 Pakistani citizens. Research by Hussain *et al.*, 2016) shows that the football industry is one of the most popular cottage industries in the country. Sialkot is the only place in Pakistan that exports 99% of its manufactured products (Khattak & Stringer, 2017). This industry also contributes to the national economy as many people sell raw materials for production. Countries around the globe are earning massive amounts of money from the sports-related business. Pakistan should also provide the sports industry of Sialkot with all necessary

facilities to strengthen its global position and the country's economy (Khattak and Stringer, 2017).

The Sialkot sports industry is highly labour-intensive as most balls are manually manufactured (Abidin *et al.*, 2015). The manufacturing system of the sports ball brought the condition of the labours of Pakistan under the attention of several international organisations that aimed to protect people from all kinds of exploitation. The sports industry of Pakistan analytically is an opportunity provider for this densely populated developing country. However, this industry has always been criticised for inhumane behaviour, labour exploitation, and low wages. Child labour is another big problem in this business sector (Junaid *et al.*, 2017)). Various social labelling initiatives such as fair trade is operating in the country to help workers secure their rights. International laws and regulations regarding fair trade and labour exploitation have direct and massive impacts on the country's economy (Faulkner & Johanson, 2018).

## **2.5 Fair Trade and Sustainable Development Goals**

Fair-trade practices play an essential role in the sustainable development of any industry. As per the global index report of SDG, Pakistan ranked 122 out of 157 countries in July 2017 (Umar & Asghar, 2018). Therefore, the country has a long way to go to achieve the goal of sustainable development. Masih (2018) states that the country's government aims to eliminate hunger, gender inequality and unemployment by 2030 and has promised its citizens to provide them with health and wellbeing facilities, quality education, a clean environment, affordable energy, and proper business infrastructure etc. To achieve all these objectives, fair-trade policies are indispensable. Fair trade practices enable the manufacturers to access the market better and organise campaigns to secure their rights and needs. The 'minimum price' of products set according to the fair-trade policies reduces the market risks for manufacturers (Avgouleas & Donald, 2019). According to Costanza *et al.*, (2016), fair trade practices are also necessary for the food and agriculture industry, as farmers work within highly unpredictable circumstances. Fair-trade practices will enable farmers to avail themselves of upgraded farming methods, stabilise their income, and strengthen their market access.

Chatzidakis *et al.* (2016) state that Fair-trade is an alternative model for trading that focuses on empowering the manufacturers and other people associated with the business. According to Olivier (2014), 120 countries purchase fair-trade products to support farmers and workers of

more than 70 countries around the globe. In a report published by So (2015), 2013 experienced rapid growth-trade practices as fair-trade products of \$.5bn were sold in the global market. Therefore, it can be stated that the concept of fair trade is gaining popularity, and honest trade manufacturers are receiving support from different organisations such as FTF, FLO, and IFAT. Manufacturers involved in the trade systems are bound to stand by the ethics of fair trade and supply products at predetermined prices. Fair trade policies turn a business industry into an organised system that leads the business to sustainable development (Doherty *et al.*, 2015).

## **2.6 Fair Trade and Child Labour in Pakistan**

Pakistan is a densely populated nation where near about 190 million people live (United Nations, 2020). The darkest side of Pakistan's sports ball industry is child labour issues. According to various reports, 12 million underage individuals work in hotels, garages, agriculture, cement, and the sports ball industry of Pakistan. According to Landmann and Frolich (2015), many children e.g., 7.3 million who should continue their formal education are counted as dropouts in that country. The constitutional definition of child labour in Pakistan has several loopholes employers exploit (Sharma, 2016). According to the constitution, individuals under the age of fourteen are considered children in Pakistan and not allowed to work for any factory that deals with hazardous matters (Haider and Qureshi, 2016). The national government also promises to provide compulsory education to children at no expense. In another article (25 A) of the constitution, children have been described as individuals that have not completed the adolescence periods of their lives. The meaning of adolescence can be different to everyone, and such unexplained terms enable employers to exploit children of that country (Haider & Qureshi, 2016).

The national government's take on unethical practices is not very attentive, and according to the 18th amendment bill, this matter is now counted as a provincial subject. Three important provinces of Pakistan, named Khayber Pakhtunkhwa, Sindh and Balochistan, do not have appropriate legislation to prevent unethical child exploitation. These provinces fail to secure their fundamental rights determined by the United Nations. Sialkot City is situated in the Punjab province, where 80,000 skilled male and female labourers work in the hand-stitched football industry (Fatima, 2017). The inhumane practices of bondage child labour in the soccer industry of Sialkot attracted public attention for the first time in 1996 (Fatima, 2017). Many large-scale and well-reputed companies such as Nike, Challenge, Adidas, and Baden are

associated with this illegal practice in that country. Most children working in that industry are severely indebted and work as unofficial enslaved people. According to Fayyaz *et al.* (2017), such a revelation was dangerous for the business there, by manufacturers of soccer balls agreed to collaborate with ILO and monitor the business activities profoundly. At that time, the manufacturers promised to eliminate this unethical practice from the sports sector within one and a half years and provide children with necessary educational opportunities to set them free from servitude (Chan *et al.*, 2015).

Asad and Haider (2018) state that large-scale companies like Reebok and Nike promised to fight against this social issue under the massive pressure of public opinion worldwide. Junaid *et al.* (2017) showed that previously people used to stitch balls in their homes. After the intervention, companies shifted their manufacturing process from houses to well-monitored factories. Such changes were necessary to prevent the barbaric practice of child labour.

De Haan and Rogaly (2015) argue that eliminating a practice like a child labour closely entangled with the social system was difficult. People from developing countries have some alternative opinions regarding child labour. A report published by Nogler and Pertile (2016) shows that many workers associated with the soccer ball industry of Sialkot think that learning skills such as stitching sports balls are more critical than going to school. It provides children with those professional skills that would help them in future. Poverty is the reason behind this thought, as the amount earned by children was necessary for running many households.

However, Sialkot is the pioneer of child labour elimination. The Atlanta Agreement (1997) worked as the primary guideline in that matter. The soccer ball industry of Sialkot collaborated with several other organisations such as the International Labour Organisation, Federation of International Football Association, UNICEF and WFSGI to change the entire scenario. Fairtrade plays a crucial role in eliminating the practice of child labour from its roots: poverty and insufficient income of the adult members of a family due to low wages.

## **2.7 Fair Trade, Women Empowerment and Community Development in Pakistan**

The literature suggests that in the global trade women face disadvantages (Bahramitash, 2005; Kousar *et al.*, 2017). For instance, there are 70% women that live under the poverty line, out of the world's 1.3 billion population living under poverty (Bahramitash, 2005). That has

affected women in particular living in the rural areas. In last 2 decades, the poverty of rural women living in the developing states has increased by 17%. (Bahramitash, 2005). There is lack of access for women to modern technology, productive resources, land, and capital that allow them to take advantage of economic development.

Many firms strictly monitor their factory units to fight the unethical practices of child labour. This change shows firms acting responsibly; yet some other issues have emerged. Kousar *et al.*, (2017) argue about the women working in Sialkot industry that women previously used to stitch sports balls in their homes and earn money for household purposes. This system was a source of employment for female workers. In modern design, labours need to be present in the factories, which is difficult for women for several reasons, such as family responsibilities or social customs. Home-based jobs are still considered safer and more respectable options for women in Pakistan. Many women lost their jobs and became unemployed due to the change, which was harmful for their livelihood. On the other hand, on-site work provides an employment contract, minimum wage, social security, and monthly sustainable income, especially in fair trade registered firms (Abbasi & Din, 2020).

The Sialkot industry experienced severe criticism from the world for paying its labours with unrealistic compensation packages. The condition is even worse for the women who manufacture the finest footballs (Faulkner & Johanson, 2018). According to ILO (2020), companies should provide their employee's compensation packages following the guidelines of 'living wage'. A living wage is the amount of money that enables employees and their families to meet the basic needs of life and achieve a decent lifestyle. However, in most cases, women in Sialkot are poorly paid. They also do not have social security, job contracts and job security. They are controlled by several intermediates and are not considered actual employees (Faulkner & Johanson, 2018). Therefore, the condition of working women in Sialkot should be taken care of by the government and the fair-trade agencies.

Fair trade standards offer the guarantee of reasonable and fair prices for the products and fair wages for workers. Fair-trade products are a little higher than the regular prices, and the extra amount is called fair-trade premium money. This is used in various community development activities such as education and healthcare schemes. Awan *et al.*, (2019) research shows that companies such as Vision use the premium money for water purification, which is a significant problem in this area. This clean water initiative benefits workers and their families, one of the

most critical needs of humanity. They have installed a water purification plant that the villagers use as the only source of drinkable water. Previously the waste materials generated by the leather industry were used to pollute the rivers and canals (Awan *et al.*, 2019). This region has always suffered from a shortage of drinking water; therefore, companies like AKI have used the premium money to install filters that purify the drinking water for employees and local community (Abbasi & Din, 2019). Likewise, the fair trade projects for example water filtration plants which benefits the local community are classified as spill-over effects of fair trade logo; in regards to fair trade conversion projects other researchers have also witnessed the spill-over effect (Ronchi, 2002; Becchetti & Constantino, 2008).

## **2.8 Fair Trade Premium Projects in Sialkot City**

The transport system is not developed in many places in Sialkot, and the premium money is necessary for resolving the issue. AKI is one of the signatories of the Atlanta Agreement, and it distributes bicycles among the workers to help them travel to the factories (Awan *et al.*, 2019). The home-based manufacturing system was abolished to prevent the practices of child labour. Thereby workers are bound to reach their factories every day. Cycles are the most environment-friendly and cost-effective solution to this problem (Lund-Thomsen & Coe, 2015). Vision technology also provides pick and drop facilities to the workers free of cost

Poverty is a significant issue in that region which is also the cause of many unethical practices such as child labour. Large-scale business organisations must take some initiatives to eradicate this problem. Talon has created a Micro-Credit Fund for the local community from which people can take loans and start their businesses (Abbasi & Din, 2019). It will increase their overall family incomes; they will be able to send their children to school and eventually enrich the national economy (Abbasi & Din, 2019).

In most cases, women are expected to take care of their children. Most women do not continue with their jobs to perform their house duties and responsibilities; it is destructive for women empowerment. Acknowledging this problem, AKI has invested premium money to set up a child day-care centre that enables parents to focus on their work while their kids are looked after by the day care centre (Awan *et al.*, 2019).

Fair Crop Company in Sialkot runs a factory where only female labours are recruited. Though the wage amount is meagre compared to the present economic condition, the money helps them meet various basic needs of their lives (Awan *et al.*, 2019). Earning money enables women to provide their children with educational opportunities that may help them in future. It is essential for their well-being; however, it doesn't secure an equal place for women in terms of household activities.

## **2.9 Market Challenges for Fair Trade in Sialkot**

Lund-Thomsen *et al.*, (2016) recognise that fair trade is making a significant difference to varied workers and stitching units' labours in Sialkot. However, the sales figures growth is important to ensure continuous improvement regarding their living and working conditions. According to reports (Tanveer & Rizvi, 2011), the average sale of sports ball producers that are fair trade certified is less than 10%. To ensure that the producers can derive high premiums, security, and added benefits, the enhancement in sales has been recognised as the key.

At the same time, one of the major concerns is that even though the organisations operating in the industry of hand-stitched footballs are striving to compete with the other competitors. Even though Sialkot remains the capital of football and other sports ball production worldwide, it cannot be denied that the pressure has been mounting with the establishment of increased machine stitching companies operational in countries other than Pakistan. These countries can produce more significant numbers of products at a fraction of the price invested in hand-stitched products (Coe & Starting, 2015). Thus, it may be stated that the negative impact on the hand-stitched sports ball organisations may be imperative. China and East Asia have been garnering more recognition due to the utilisation of advanced technology in manufacturing products, which not only does enhance the quality, but also reduces overall cost. Therefore, as per Khan *et al.* (2016), abrupt changes in technology utilisation are recommended to the industry to ensure long-term survival. In addition to this, despite the interference of fair-trade certification, it may be seen that in most cases, the overall income of the labourers is low (Azaz, 2018). Thus, the motivation and enthusiasm of the labourers may have often been debated. Immediate wage rise is necessary for the labourers to ensure that the production values are increased.



Suresh (2018) often states that lack of enough recognition is one of the vital issues critical which may have dire consequences on the industry's overall development. Even though the sports gear manufactured in this area by vast numbers of organisations is consumed in every part of the world, there is hardly any recognition that the organisations acquire (Voy, 2015). These organisations are overshadowed by the huge brand names with which the companies are associated with. The equipment of appropriate marketing is not yet channelized, even though the entrepreneurs are recognised as being resourceful. According to Pyke and Lund-Thomsen (2016), government intervention may provide the industry with the necessary awareness and facilitate them with appropriate resources for further support. Designing the Sports Industries Development Centre is expected to bring revolutionary changes in the sports ball manufacturing industry in Sialkot. Thus, the industry may be able to hold a sustainable position in the international sports industry in the in most significant manner.

### **2.10 Relationship of Fair Trade and Worker's Welfare**

According to Abidin *et al.*, (2015), fair trade helps to ensure the welfare of employees working in the sports ball industry. The social labelling certification of fair trade enables people to understand organisations using ethical business practice to manufacture its products. It is important to note that the fair-trade norms and regulations ensures that labourers get protection from poverty and injustices improving their living conditions to some extent. Khan *et al.*, (2015), claims that a strong connection is present between fair trade and workers' welfare conditions. The general observation shows that fair trade has increased socioeconomic status of workers. Working individuals have become more conscious of the importance of the norms and regulations. As workers receive a certain amount of sufficient minimum wage, they hold the opinion that their economic condition has improved to a considerable extent. Many workers assert that following the introduction of fair trade, has improved their working condition; the outcome of the regulations have been highly effective. Women feel content and safe working in sport industry of Pakistan. Company owners make effort to aid labourers by providing fair treatment. Following fair trade, factors such as water purification, basic health insurance, fund of micro credit, clean drinking water, day care facilities, pick and drop facility, options of affordable bicycles for labourers or workers have come into existence. As reasoned by Nicholls and Huybrechts, (2016), working individuals receive several benefits and advantages. As its consequence, people show more interests and willingness to participate and get involved in sports ball industry in Pakistan. For instance, as per water purification initiative, workers along

with their family members and entire community possess the scope to get access to clean, filtered water for drinking. The project of Fairtrade premium is considered for this purpose.

The concept of basic health checks is a contemporary and innovative idea that screens out health issues of Sialkot industry workers on time. Fair trade premium income support annual health camp, medical facilities for workers on-site. Emergency medical facilities are also made available for workers. The Fair-trade program has certainly helped workers to receive welfare benefits (Kim and David, 2016) such as considering monetary assistance micro credit fund is developed with joint entities of stitching units' workers and management. The fund generated from fair trade premium helps individuals to set up small businesses to enhance financial income scopes and reduce financial reliance on stitching. The facility of free drop and pickup has made it possible to minimise the financial cost of travelling and daily transportation due to work responsibility and, the opportunity of purchasing affordable bicycles has also helped working individuals to resolve the issue of daily transportation.

### **2.10.1 Socioeconomic Status**

According to Khan *et al.* (2015), it is observed that working condition and economic status in sports ball industry in Pakistan has experienced improvement and positive change. The densely populated nation is making effort to improve socioeconomic status of labourers. Many companies' owners are taking initiative to ensure that the program of fair-trade shows positive result. However, critics assert that the fair trade program shows little result in reality. In Atkin *et al.*, (2016) opinion, the social labelling program has proved to be an inadequate measure concerning welfare of workers in Pakistan and other developing and poor countries. One of the main reasons which limits practical effectiveness of the program is the fact that economic structure of the country lacks an effective system. The business and trade system of Pakistan and other poor countries are considered informal and lacks clarity to some extent. Reporting of economic state and income suffers undervaluation. Existing information shows that the Fair-trade economy strives to improve the situation of working people and manage their household expense and expenditure. It is necessary to state that the attempt has shown positive result to some extent. Workers experience adequate improvement in terms of managing cost and expenses of their daily lives. However, close observation highlights that assurance of fair price, full wage considering monetary terms has failed to show desirable results as workers do not show work satisfaction, feeling of security. As stated by Atkin *et al.*, (2015), most of the

working population fails to possess clear, sufficient knowledge of the Fair-trade program and its benefits for working people. As mentioned, Hussain *et al.*, (2016), the program has failed to create positive impact on socioeconomic status of workers or labourers. It is essential to understand that the premium amount holds direct proportion with the sale of fair-trade sports products. Hence, low and fluctuating sales generate modest premium rates, and consequently limited premium finance is used for limited development projects. It becomes difficult to distribute money to working people to improve socioeconomic status (Ali *et al.* 2018).

Therefore, it can be stated that the organization's performance has many shortcomings and drawbacks that need attention and improvement. The fair trade economy indeed has helped to ban child labour in sports industry of Pakistan; yet it lacks the ability to manage welfare of workers of the industry (Abbasi & Din, 2020). It encompasses broad socioeconomic factors and issues to make significant changes and result for workers or labourers. As stated emphatically by Raynolds and Bennett, (2015) the industry's organization performance system is in a controversial state, the key reason is that the organization structure of manufacturing and production lacks sufficient clarity. The government of Pakistan, company owners and committees need to take collective connection for the purpose.

### **2.11 Influence of Fair Trade Practices**

It is essential to state that sports companies have employed fair trade practices and the results which are observed are positive in nature. Despite the fact, it has been observed that the fair-trade program finds difficult to sufficiently achieve desirable objectives in fulfilling its goals and objectives for better realisation of labourers' welfare in the industry. Bidwell *et al.* (2018) argue that the social labelling program initiative attempts to improve livelihood and economic status of grass root labourers; however, the outcomes which are observed, still need time and proper strategic measures. Several challenges are present which restricts or limits the potential of Fair-trade practice. For instance, constant difficulties are present which makes it hard to keep proper market share of the industry considering conventional market of Sialkot, Pakistan. It is necessary to state that the region is regarded as the capital of soccer ball production. Approximately speaking, the region exports \$200 million per year. In the year 2008, among every four match grade balls, three were hand stitched (Abidin *et al.* 2015). The report shows talent and strong labour market resource of the country region. However, the excessive pressure to compete with machine stitched sports balls is creating negative impact on the hand stitched

sports ball market. One of the factors which needs attention is the fact that the program is made in an international place. Hence, it becomes difficult for the program to have proper awareness and in-depth knowledge about issues and problems which occur within local regions of other countries. Extensive study about local issues of Sialkot, Pakistan is crucial to identify and overcome issues in real time. For enhancing practicability of the program, detail and thorough awareness and comprehension of regional sports industry is inevitable.

One of the significant challenges of the Fair-trade practice is working in an industry that suffers vast corruption; it seems the market itself is unfair and favours injustice and unethical work practices. It is essential to state that fair trade seems rational and logical to implement in real life for workers' welfare and enhance organizational performance in the process. However, in real life implementing the program is difficult and quite challenging. Khan *et al.* (2015) reveals an unfortunate reality that the business world has become less fair about trade ethics and moral values. Consequently, it creates barriers for the social activists to introduce a change in the organisations. Huybrechts, (2015) states that fair trade program constantly attempts to improve the market condition of sports ball industry. Nevertheless, like every industry the factor of 'long journey' restricts the program's ability to actualise its full potential. It should be stated that rules and regulations of fair trade takes time. In fact, consumption of time is a major issue which makes it challenging for people to take actions to ensure their fair-trade benefit and welfare measures. The lengthy process required to attain fair trade benefits affects people's motivation to take appropriate steps. For instance, certification of sports products, mandatory norms, and practice which workers need to follow and go through consumes significant amount of time. The lower section of the population, people who work in the sports ball industry, lack sufficient education and knowledge, making it difficult for workers to develop proper understanding of fair trade norms and complications. It is essential to state that the sports ball industry is an integral part of Pakistan's business and trade sector.

According to Nicholls and Huybrechts, (2016), it would be appropriate to state that the fair-trade program holds applicable principles for the development of sports ball industry. Incredibly it strives to improve organisational performance of companies irrespective of industrial sectors. Still, reconsidering current corporate work practice needs to change to ensure necessary changes occurring in real life. The unnecessary participation of intermediaries should be cut from the system.

Improvement in measures have indeed come into existence; however, poor organisational structure affects the potential performance of the organisation. Howells *et al.*, (2016) argue that the Sialkot region of Pakistan is globally known for its quality sports ball production. It is possible to consider changes and take necessary actions with proper measures.

## **2.12 Fair Trade Focus on Environmental Protection**

Fairtrade is committed to its mission and vision with a series of environmental actions and social justice around the globe (Smith, 2008; Evans, 2008). Fairtrade is an effective tool to contribute to development. Fair trade movement is assumed to be a contributing segment of “new globalisation,” which has redefined the trends of international trade and facilitated the expansion of corporations that undermined social and ecological conditions (Murray & Reynolds, 2007). Certain toxic chemicals are banned in fair trade production. Appropriate trade environmental criteria ensure that certified members work towards reasonable ecological practices and eliminate or use the minimum level of hazardous substances. The advantage of fair trade is that producers must provide a basic environment report confirming the production process impact on the environment (Dragusanu, Giovannucci, & Nunn, 2014).

### **2.12.1 Using Synthetic Materials in Sports Balls**

Since 1986, all top-class soccer balls have been manufactured with synthetic materials replacing leather, usually polyurethane (PU) or polyvinyl chloride (PVC) (Neilson, 2003). Phthalates are the plasticisers that make pleasurable durables and create polymer material, for example, polyvinyl chloride (PVC) elastic to make the final product easier (Bylina, 2011). Phthalates negatively impact the growth and development of human foetuses, infants, and toddlers.

To be cautious, the European Union has introduced limitations on using phthalates in toys and childcare articles, including those intended for sleep facilitation, relaxation, hygiene, and feeding (Bylina, 2011). Raw material in the sports ball industry is based on PU and PVC. At the same time, PVC is considered less harmful than PU.

## **2.14 Critical Review of Fair Trade Practices**

In recent decades fair trade received overwhelming interest. Opinions and reports about fair trade can be commonly observed in mainstream digital and print media. Fair trade is debated

among apprehensive consumers, ethical label activists and producers around the globe (Raynolds & Bennetts, 2015; Mohan *et al.*, 2019). Fair trade claims and assertions attract reaction from observers who trust in the free-market mechanism and several virtues of international trade, counting the vital role to improve producer's livelihood and living conditions in developing states. Fair trade visibility has grown over a decade (Mohan *et al.*, 2019). As a result, the debates between supporters and critics have come forward. The leading approaches analyse the trade impact on the poor producers in developing countries (Stiglitz & Charlton, 2005; James, 2012). Moreover, several commentators have misgivings about FT vision, business ethics and practices (Griffiths, 2012).

### **2.14.1 Does Fair Trade Work?**

Marshall (2016) criticises the benefits of fair trade. He raised the question of whether producers receive the benefits of fair trade. Cramer *et al.* (2017) found in their research the unfair wages system in the fair-trade certification for coffee production and poor working conditions in sites of Ethiopia and Uganda. Further supported by Lindsey (2007) and Sidwell (2008), these authors claim that the Fair-Trade mechanism keeps marginalised producers in low wages tasks by subsidising their workforce, and labourers do not benefit from the allegedly higher costs paid by the shopper. In contrast, Holmes, and Imai (2019) share the opposite view from their survey that more investment spending on a household enjoyed a better diet than conventional trade farmers. This has positively affected the local community through better spending and demand formation. They further stress the higher income from fair trade, resulting in a higher living standard and improved health. Knoblsdorfer, Sellare and Qaim (2021) describe the socio-economic conditions of poor households; fair trade improves the basic needs, for instance, housing and clothing. However, in non-poor families, it brings an optimistic effect on education and transportation cost.

Cramer *et al.*, (2017) conclude their research that fair trade is not a practical approach to enhancing the welfare of the poorest rural public. Their study finds the ineffectiveness of protecting workers' rights and improving the increase in wages of poor rural areas that affects poverty reduction. The research highlighted the importance of conditions of employment in agricultural commodity production for the welfare prospect of impoverished people. The study indicates that private voluntary standards such as fair trade will likely fail to create any difference in the poorest commodities. Cramer *et al.*, (2014) criticise the elite within

appropriate trade production organisations received favourable terms and privileged access to the resources.

### **2.14.2 Does Premium go to Labourers?**

Sylla (2017) argues that fair trade was a movement to benefit people from the grassroots, where it benefits the so-called ethical retailers or supermarkets. They introduce ethical labels to make more profit and position themselves in the growing market. Mohan (2010) supports the critique by adding that social premiums from cooperatives do not often benefit the producers. Regarding the premium money, Mohan *et al.*, (2019) argues that fair trade is mainly faulted for unethical behaviour that little amount of premium money which is paid by the consumer reaches to the workers; and fair trade deceives the customer that maximum premium or all the premium goes to producers in the developing countries. Further, the Economist (2006) elaborates on premium which maybe disappointing for many consumers that only ten percent of their extra payment for fair trade coffee goes to producers.

### **2.14.3 Higher and Minimum Price Guarantee**

Another crucial point is debated: fair trade organisations cannot guarantee that the buyer involved in fair trade movement will pay a higher price to the producer's organisation than the labelling organisation's minimum price. Also, they cannot guarantee that producer companies will sell their fair-trade products under ethical label conditions that meet the requirement of premium and minimum fees (Sylla, 2007). Moreover, Siegle (2017) criticises the Fair trade economic model, if the minimum fair trade process price is high, it will be harder to find outlets. Subsequently, sales will be low. There is a high possibility if the minimum cost of the FT products is competitive, that will boost the sales. However, it will achieve a significant purpose effect on poverty reduction. Another critique is added that fair trade way is far from perfect. It famously ensures the minimum price guarantee. However, the analyst says the producer receives a small store price that does not reflect a fair price (Siegle, 2017).

Another debate highlights the issue of income uncertainty. The policymakers investigating the key factors essential to fair trade success that ensures the actions to lower income uncertainty. This can be achieved by providing a guaranteed lower limit is set. Also, by ensuring that all the payments are transferred in a regular and anticipated manner (Holmes & Imai, 2019). The FT minimum price ensures a stable income for workers as it shields workers from the fluctuations of market prices which secures a committed income for them (Mohan *et al.*, 2019).

Also, many retailers on fair trade products do not increase the profit margin as they fear to lose the market share in the rising fair trade market (Mohan *et al.*, 2019).

#### **2.14.4 Why Fair Trade Certification?**

As the fair trade market has grown, so have the debates about its benefits and business ethics. A critical examination of these debates shows that fair trade is just a speciality marketing device that offers benefits like other speciality marketing mechanisms in the market (Mohan *et al.*, 2019), therefore, fair trade should not be treated differently from comparable labelling initiatives and social marketing in the market (Mohan *et al.*, 2019). It is not necessary that producer's organisation joining Fair Trade movement are the poorest. However, it is important for them to meet market demand that includes affordability power to certification fee and certain level of production. This is one of the biggest reasons that producer organisation from developing or least developed countries tend to be underrepresented (Sylla, 2007). Further, Dammert and Mohan (2015) argue about fair trade premium, it is wrong to think that producers join fair trade only for the premium income; there are other reasons specially to diversify the marketing opportunities.

#### **2.14.5 Reason Behind Fair Trade Modest Sales**

The growth of fair trade products is exceptional and controversial as fair trade products gain high process in compression to conventional goods without providing additional quality (Mohan *et al.*, 2019). Further, Siegle (2017) criticises the fair trade economic model; if the minimum price of fair trade product is high then it will be hard to find outlets. Subsequently, sales will be low. There is a high possibility if the minimum cost of the FT products is competitive, that will boost the sales. However, it will achieve a significant purpose effect on poverty reduction.

Campaign-based promotion is considered as a vital component of the Fair-Trade movement. Fair Trade is imperative as sales projection is related to create public awareness about Fair Trade products by providing a valid reason for buyers to consume fair trade products (Mortimer, 2010). The campaign can be run in various public institutes such as schools, Universities, Churches, and religious groups or through a media to create awareness about the importance of changing the rules from conventional trade to 'make trade fair' (Mohan, 2010).



#### **2.14.6 Challenges Associated with Fair Trade Registration**

Pedregal (2009) criticises the time to obtain fair trade certification which discourage some producers to apply for fair trade, this undermines the efforts to reduce poverty. Fair trade registration fee is often condemned for being disproportionate. The impression is received as if FT has gone into a complicated dimension and is itself an industry which is adding extra cost for administration and promotion and as a result it increases the cost of the FT certification (Mohan *et al.*, 2019).

Researchers emphasise on time, limited resources and potential endogeneity associated with fair trade registration process (Pedregal, 2009; Holmes & Imai, 2019). This demoralises the worth of certification as a means of poverty mitigation. Fair trade fee is one of the critical challenges to afford for producers. Some scholars criticise fair trade's administration and promotion costs as it results in a complicated bureaucracy and an industry itself (Howley, 2006; Henderson, 2008). Fair trade mostly receive criticism for unrealistic in stakeholders' expectations and being exclusive (Farnworth & Goodman, 2006).

#### **2.14.7 Fair trade Premium**

Having a positive perception of fair trade, it is challenging to highlight and acknowledge the shortfalls or limitations of the programmes under examination. Many studies have examined the benefits of fair trade premium on the communities; however, the bonus has not been used positively and constructively. Prominent researcher Griffiths (2010) critically analysed the role of fair trade and its reliance on anecdotal and case evidence to evaluate the positive impact of fair trade. The researcher mentioned the bias on the experience of fair trade production as, according to him, the benefits to producers may not be evenly distributed and may be exaggerated.

#### **2.15 Research Gap**

Many previous studies have investigated the impact of fair trade on banana, cotton, coffee, tea, and cocoa in Africa and Latin America (Cramer *et al.*, 2017; Raynolds, 2017; Holmes & Imai, 2019; Becchetti & Constantino, 2008; Rochni, 2002). However, few studies have examined the impact of fair trade in the sports balls industry, particularly in Sialkot city (Abbasi & Din, 2020; Ali *et al.*, 2018). Researchers have been interested in over a decade in the Sialkot sports balls industry (Lund-Thomsen & Nadvi, 2010; Tanveer & Rizvi, 2011; Naz & Bugenohold, 2020; Khan *et al.*, 2016; Zafar *et al.*, 2017). Many universities and industrial researchers have

published the journals. However, there are many limitations; insufficient data, focus limited to specific issues such as child labour, keen interest in the conventional balls industry, and limited involvement of Fairtrade premium committee members. In this exploratory study, the fair-trade impact was studied on the organisational performance (3P) of the Sialkot sports balls industry. The focus of the organisational performance was kept to stitching and production unit workers (People), market shares of sports products (Profit) and environmental protection (Planet). The area of market shares and ecological protection has not yet been studied in the Sialkot sports industry. However, many researchers have investigated the impact of fair trade on workers to achieve credible results in various parts of the world. This study included focus group-based workers from stitching and production units to identify the effect of the ethical label on their life. The dependent variables such as premium committee, premium income and projects supported to explore the impact of fair trade on workers. There is an understandable geographical research gap to study fair trade in South Asia where only six firms are so far, operating under fair trade regulations in Sialkot city of Pakistan.

## **2.16 Conceptual Framework**

A conceptual framework is the outcome of the various related concepts by bringing them together to explain and provide an extensive understanding of the research (Imenda, 2014). In this research such concepts can be mentored by TBL theory (Elkington, 1999) to draw the performance indicator within the sports industrial scope. The conceptual framework below has been drawn to find various variables to guide the research aim. The research aims to investigate the impact of adapting Fair Trade on organisational performance, focusing on studying the sports industry in Sialkot city, Pakistan. Therefore, fair trade is recognised as an independent variable. Whereas the Fairtrade Premium Committee (FPC), Fairtrade premium income, welfare projects, market shares growth (Tanveer & Rizvi, 2001, Ali *et al.*, 2018;) and environment projection are recognised as the dependent variable. Regional support is regarded as a moderating variable. The literature review highlighted the broader spectrum of fair trade, including its regulations about labour law, strict measures against child labour, safe working condition, minimum wage and socioeconomic condition (Abbasi & Din, 2020; Raynolds, 2017; Lund-Thomsen & Nadvi, 2010; Mohan *et al.*, 2019) which signify the role of fair trade influence on the set of dependent variables. In addition, regional support is referred to as a moderating variable that alters an independent variable's effect on the set of dependent variables.

The results of previous impact studies (Holmes, 2015; Ruben & Fort, 2012; Beuchelt & Zeller, 2011; Smith, 2010; Fort & Ruben, 2009; Jaffee, 2009; Bacon, 2005; Utting-Chamorro, 2005; Murray et al. 2003; Lyon, 2002; Taylor, 2002; Dragusanu & Nunn, 2014) has led to the dependent variables being identified. The present study is aligned with prior studies in terms of the identification of dependent variables. The dependent variables for the current study are income from fair trade balls in terms of market shares and sales growth, fair trade premium, welfare projects, and environmental protection. These dependent variables are consistent with those used in previous studies, as illustrated in Figure 1.

### **2.16.1 Dependent and Moderating Variables**

The fair trade literature has investigated the fair-trade premium committee, premium income, welfare projects, market share growth, and environmental protection, among other dependent variables, as demonstrated in prior studies such as Cramer et al. (2017), Fayaz, Lund-Thomsen, and Lindgreen (2010), Ali *et al.* (2018), and Tanveer and Rizvi (2001). However, this study aims to explore the impact of fair trade policies and other related attributes on the overall organizational performance, including the stitching unit workers, fair trade sports product profit growth, and environmental protection. Although previous studies have examined some of these dependent variables, there is minimal research that focuses on the sports industry, particularly on market shares and environmental protection.

The concept of regional support as a moderation variable in the study implies that fair trade supportive managers help South Asian producers in various ways, particularly to newly registered firms and those undergoing the fair-trade registration process. At this initial stage, it is crucial for producers to comprehend the standards and devise a strategy that enables them to meet the requirements within the limited timescale. In fact, regional support plays a vital role in facilitating fair trade adoption among producers in developing countries, such as those in South Asia. Fair trade supportive managers can provide practical assistance to producers in various ways, such as helping them navigate the complex certification process, ensuring compliance with fair trade standards, providing access to financing, and offering guidance on marketing and product development strategies. Moreover, for newly registered firms and those undergoing the fair-trade registration process, regional support can provide crucial guidance in

understanding the expectations and requirements of fair trade certification. This support can be particularly beneficial in helping firms navigate the time constraints associated with the registration process, which can be daunting for many producers.

The critical organisational performance indicators are strongly associated with fair trade policies as dependent variables. Fair trade plays a crucial role in achieving these indicators as fair trade standards and requirements have a distinguished effect on each dependable variable and elements attached to them. The impact of fair trade on such variables can be explained as follows:

#### **2.16.1.1 Fair trade Premium Committee**

In finding the relationship between fair trade role in making appropriate trade premium committee. It is one of the first step requirements for any newly registered firm under fair trade (Bourn, 2018; Raynolds, 2018). This committee's members are chosen as per fair trade rules. The member's representation involves workers from the various department as well as management representation. At this stage, the role of the regional supporting team can be significant by providing backing to understand the documentation, as it can be complicated for a newly registered company. This approach will further identify how fair trade affects the freedom to choose the projects and control premium money.

#### **2.16.1.2 Fair trade Premium Income**

The effect of fair-trade requirements on the income received through fair trade products premium (Ali *et al.*, 2018). The study will reveal the guidance of fair-trade conditions on premium income spending while planning a welfare project.

#### **2.16.1.3 Welfare Projects**

This is a crucial measuring tool to identify the impact of fair trade on workers' livelihood (Abbasi & Din, 2020). Further, to measure the impact of fair trade on the Sialkot sports industry, it is essential to find the premium projects' impact on the provided facilities such as workers' children's education, clean water, free transportation, on-site fair price shops, loan availability, health insurance and spill-over effect of specific projects.

#### **2.16.1.4 Market Share Growth**

To measure the cause and effect of fair trade on organisational performance, market share is the chosen KPI to conclude the profit element. This variable will reveal the fact whether fair trade has an impact on equitable trade sports balls sales growth or not. Also, the study will highlight if fair trade impacts the market share of conventional balls in the international market. Sales growth is the backbone of the welfare premium projects as the projects only rely on the premium income (Tanveer & Rizvi, 2011). The regional support team can play a vital role in creating the demand for fair trade sports balls.

#### **2.16.1.5 Environmental Protection**

To study the relationship between fair-trade standards and environmental protection is the need of the present era where the world is fighting for strict measures to tackle global warming. The sports ball production process involves the use of certain harmful chemicals. This variable would help determine if the fair trade successfully implemented the environmental standard in the fair-trade sports registered firms.

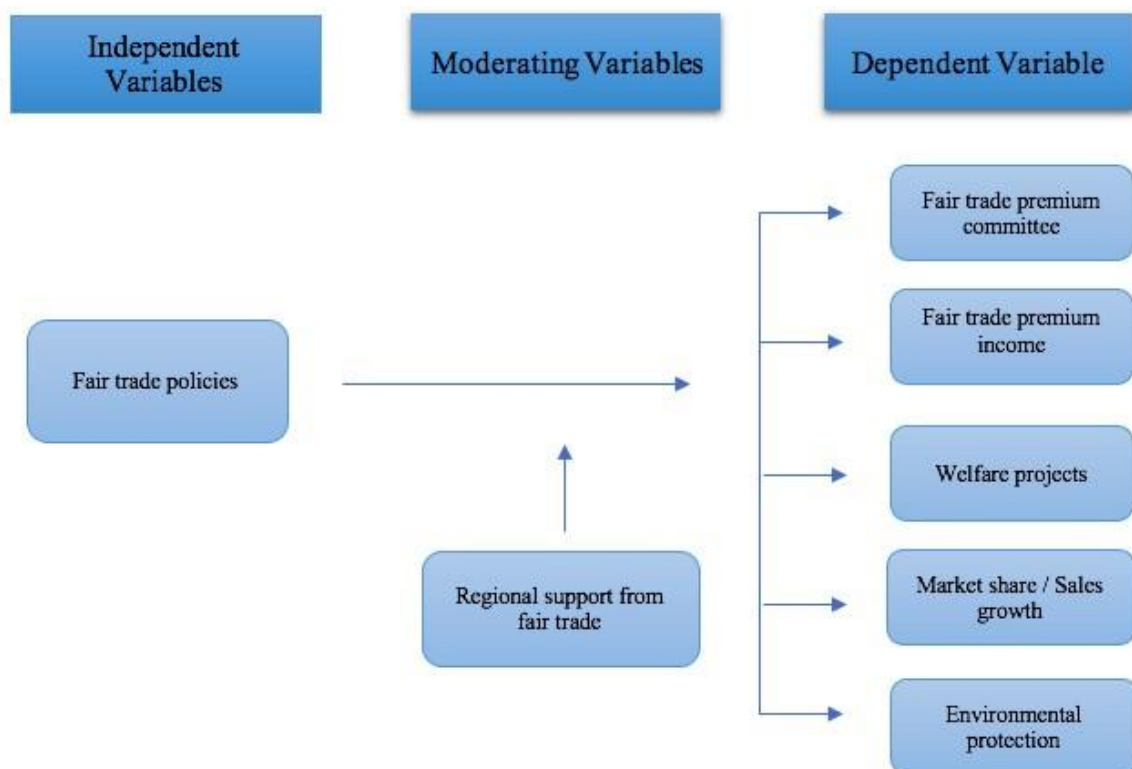
#### **2.16.2 Independent Variable**

Previous studies have investigated the impact of fair trade on bananas, coffee, tea, cotton, and cocoa in different countries. However, minimal research (Abbasi & Din, 2020; Lund-Thomsen and Lindgreen, 2010; Naz & Bogenohold, 2020) has been conducted on sports products, especially in the Sialkot sports industry. However, those researched mainly debated on labours law, child labour elimination, working condition, minimum wage. To comprehensively assess the performance of fair trade in the context of the triple bottom line (TBL), it is essential to consider Elkington's (1999) proposal of the "3P's" framework, which sheds light on the various dimensions of fair trade regulations. By incorporating the 3P's framework, the study can provide a more comprehensive and nuanced understanding of the impact of fair trade on people, planet, and profit.

Elkington's 3P's framework highlights the importance of considering the social, environmental, and economic dimensions of sustainability. In the context of fair trade, this means examining the impact of fair trade practices on the livelihoods and well-being of producers, the environmental sustainability of production processes, and the economic viability of fair trade supply chains. By adopting this comprehensive approach, the study can provide a more

nuanced understanding of the performance of fair trade in the context of the TBL. This understanding is essential for developing effective strategies that promote sustainable and equitable supply chains that benefit producers, consumers, and the environment. Drawing from this understanding, the independent variable will provide support to identify the fair trade standards role, its audit system and measures to implement ethical practices.

Thus, the conceptual framework will allow the investigation of cross-study between independent, moderating, and dependent variables.



**Figure 1: Conceptual framework**

(Source: Author)

### 2.17 Conceptual Analysis of Organisational Performance

In general literature, organisational performance has been referred to in the broader context and from multiple perspectives. Researchers (Zumitzavan & Michie, 2015) describe the outstanding performance which is based on the multidimensional criteria the business organisation uses for assessing the performance. In a similar context, Zumitzavan & Michie (2015) identify that organisational performance for one organisation may not be appropriate for the others. Additionally, in many situations, the factors driving organisational performance

for a specific organisation change for the same organisation based on the local cases and purposes for which such arrangements are assessed. Likewise, traditionally organisational performance was defined from the perspective of measurable productivity levels and financial performance. However, with time, researchers have modified their stance about organisational performance by including non-financial factors in the assessment criteria.

Generally, organisational performance is defined as the activities carried out by the business organisation to achieve a specific goal (Brooks, 2018; Zumitzavan & Michie, 2015). Nevertheless, there is a set of four different categories when defining organisational performance: the accomplishment of organisational goals, increased resourcefulness, customer satisfaction and improvement in internal processes (Brooks, 2018 ; Zumitzavan & Michie, 2015).

Tanveer et al. (2011) defines performance as a connected business element in a system, where all the components work together towards a mutual end. Researchers explain performance as the flow of activities using the available means to achieve the desired ends (Tanveer *et al.*, 2011). From this definition of organisational performance, it can be implied that businesses rely on their capabilities and abilities to efficiently utilise available resources to accomplish the set of business objectives consistently. Consistency is essential for driving positive organisational performance and providing a sustainable competitive advantage in the long run (Tanveer *et al.*, 2011). In this regard, Katz & Kahn (1978) identify three dimensions of organisational performance: effectiveness, efficiency, and relevancy. Researchers believe that maintaining a ratio of output to input and the point of the activities driving performance is essential for producing relevant outcomes.

After analysing the definition and concepts behind the organisational performance, the next section of the literature review identifies the researcher's perceptions about the ways the business uses for meeting their corporate arrangements. These methods effectively appear to significantly understand the impact of fair trade policies on the Sialkot sports industry of Pakistan in the primary investigation.

### **2.17 Ways to Measure the Organisational Performance**

Measurement of organisational performance requires significant attention from the business management, specifically data mining, what constitutes success for their organisation. It should be assessed to measure their overall corporate performance respectively (Carton & Hofer,

2006). Miller (2016) clearly explains the point in his research to identify that measurement at the organisational level is the business's operationalising its performance. According to him, without an adequate measure of the performance, none of the business organisation can evaluate their performance effectively. Hence, for the measurement of organisational performance, the business needs to initially clarify the unit's boundaries, which is the focus of the performance measurement. He further explains that the units of analysis could be categorised into budget level or personnel structures depending on the purpose of the assessment effort. Miller (2016) further highlights that business organisations should consider managing their performance based on the seven operational areas "*effectiveness, productivity, quality, efficiency, customer and stakeholder satisfaction, innovation and financial durability*".

According to Carton & Hofer (2006), there has been no consensus among the business researchers and the business organisations regarding the best or sufficient measures of organisational performance. The answer to the question 'how one should measure success' for a different organisation returns with other solutions. Business management may desire different organisational effectiveness outcomes as the performance itself is characterised by many financial and non-financial indicators. Similarly, Carton and Hofer (2006) stress that organisational performance could be assessed from the perspective of the shareholders/investors' interests or by considering the overall stakeholders' approach to increase wealth for the stakeholders. In this regard, literature has given the set of traditional financial performance measures such as Return on Asset, Return on Equity, Return on Investment, and Return on Sale. On the contrary, Miller (2016) identifies the set of contemporary assessors used by the business organisation to set out a unit of analysis to measure organisational performance. These boundaries include the type of customers, stakeholders or suppliers, program, product and service type, and definition in accreditation standards. In this context, the function of a business organisation could be a major from the inside and the outside as the perspective in both the situation is placed upon the different stakeholders who are influencing the performance of the business internally or externally. For this purpose, stakeholders affecting the organisational performance from the inside include employees, team leaders, management, departments, and teams.

### **2.17.1 Critical Success Factors**

Furthermore, moving toward the ways and methods used by the business organisations worldwide for the measurement of their organisational performance, Critical Success Factors



(CSF) has been identified as one of the significant methodologies business practitioners use for measuring their performance as a refer strategy implementation formulation (McIvor, *et al.*, 2009). The CSF method allows the business organisation to monitor the performance continuously by looking at whether their CSFs are being met or not. McIvor *et al.*, (2009), highlight the importance of the performance measurement method, elaborated that CSF is also a valuable method to determine the type of information needed to monitor the overall performance besides measuring the performance against the specific criteria, e.g., '*sales per customer, number of complaints, perfect enquiries, on-time delivery, and late payments* are necessary for measuring the performance of customer relationship management in an organisation (Marcovitz, 2011).

### **2.17.2 Balanced Scorecard**

Another performance measurement method highlighted in the literature is related to Kaplan *et al.*, (1996) balanced scorecard. According to Kaplan *et al.*, (1996), BSC is a unique approach allowing the business organisation to differentiate their leading from lag performance indicators. In this framework, leading indicators are used as performance drivers for the business organisation to examine early indication of whether the business has implemented the strategy successfully or not. On the other side, lag indicators as useful for business organisations in understanding core measures of outcome achievement.

BSC offers a unique perspective to the organisation by providing a mix of the leading and lagging indicators. In discussing the effectiveness of the four dimensions of the balanced scorecard, Tovey *et al.*, (2015) have further indicated that business organisations can improve both internal and external performances through this measurement tool effectively. These actions can be categorised into financial performance, internal process, customer satisfaction and learning and development. Kaplan and Norton (1992) justify their approach to helping the business organisation go beyond the traditional financial performance majors working well for the industrial area. However, over time and with the changes in the skills and competencies of the business organisation, it is essential to consider improving operational measures such as cycles and defect rates when assessing the financial outcomes of the business. Likewise, the improvement activities and innovation must also be emphasised when determining the business's operational performance. For Kaplan and Norton (1992), currently, business management cannot select between the financial and operational measures; instead, they must focus on the performance targets in a balanced manner.

### **2.17.3 Analysis of Financial Statements**

Financial analysis is also essential to assess how the organisation manages its working capital. It refers to determining a business organisation's operating and economic features using its formal and published financial statements (Bhunia, Somnath & Roy, 2011). Academic researchers have been suggesting the use of comprehensive analysis of the financial statements and other non-financial ways to measure and gain a complete picture of the organisational performance simultaneously (Needles & Crosson, 2013; Fatihudin & Mochklas, 2018). According to them, through the critical analysis of the quantitative and qualitative data given in the set of financial statements, including income statement, balance sheet, statement of equity, cash flow statement and notes to the accounts, the businesses can attain the success effectively. Needles and Crosson (2013) stress that in using the financial performance, the firm should benchmark its performance against the industry that are leading industry peers to gain a proper position of the company among them and its competitive advantage. Without a benchmark, a financial performance assessment would not result in appropriate management of desired performance by targeting the critical indicator. The manager probably only attempts to improve the economic value of its business by increasing revenues, reducing costs, decreasing assets, and reducing the cost of capital simultaneously. In discussing the effectiveness of the financial performance analysis of the firms, researchers have also highlighted its significance in measuring the firm's liquidity, profitability, and other indicators (HBS, 2020).

From the critical analysis of the literature, it can be examined that academic researchers have criticised that financial analysis may not always affect the organisational effectiveness of the business organisation (Minnis & Elmuti, 2008; Fatihudin & Mochklas, 2018). In this regard, Minnis & Elmuti (2008) investigate the relationship between the measures of perceived organisational effectiveness and actual financial performance in the medical Group Practice Environment via an annual survey of U.S. medical practices. The researchers did not find any relationship between organisational effectiveness and financial performance; Instead, they find that understanding the industry relationships is necessary for aligning organisational performance with financial performance. The limited efficacy of the economic analysis is associated with the shareholders' value (Bhunia, Somnath & Roy, 2011). The analysis only considers profitability and quantitative figures for analysing the effectiveness. However, it is not easy for everyone to gain a comprehensive understanding of the organisational performance through financial analyses due to specific skills required in analysing the standard figures

identified in the official financial statements and the ratio analysis of financial indicators. Relative to statistical findings, the ordinary audience of the business organisation is more interested in non-statistical measures due to convenience and ease of understanding such information (Hubbard, *et al.*, 2015; Jenkins & Williamson, 2015).

In a similar context, HBS (2020) states it also has side effects of seasonality on the management of financial performance because financial numbers and outcomes in different periods keep fluctuating for a business organisation. Simply put, the business's profitability may be high in the peak seasons while it can be low in the low seasons. However, the low figures for profit and income may not accurately represent business reputation and organisational effectiveness, respectively. Therefore, analysis of the other factors is also essential in relative organisational performance. In this regard, the next section of the chapter presents a critical review of the literature to exhibit how the different researchers have discussed factors influencing organisational performance.

## **2.18 Factors Influencing Organisational Performance**

### **2.18.1 Employee Performance**

One of the critical factors affecting the organisational performance across the below is associated with the workforce or human resources. There has been a mutual consensus among the researchers on the direct relationship between organisational performance and employee performance (Vosloban, 2012; Leitao *et al.*, 2019). In discussing the effectiveness of employee performance, Vosloban (2012) has substantiated the integration of workflow planning and expectation setting as a vital component of the systematic performance management process. For this purpose, most researchers identify the importance of hired employees' performance on the overall business strategy. Consequently, high-performing employees are targeted by the leading organisations to stay competitive for an extended period and reap the benefits of the market and the overall industry. The literature has substantiated how high employees' performance has helped the brand's favourable reputation in front of the target market and customers relatively (Humayon *et al.*, 2018).

For this purpose, the business organisations have been using different yardsticks for determining the success of employee performance using quality, quantity, timeliness, productivity, financial and cost-effectiveness (Leitão *et al.*, 2019). Leitão *et al.*, (2019) view the positive influence of quality of work-life on organisational performance relative to other

factors. Researchers indicate that rental workers feel their work-life can meet their personal and professional needs and help them feel respected as professionals and as people; they start feeling positive and contributing positively to the environment. In this regard, Pandey & Tripathi (2018) further explain the importance of developing the workplace environment to impact the workers, habits, and overall well-being. Business organisations stress the set of internal and external factors that can influence the employees' satisfaction and, ultimately, their performances, such as job security, safety, and well-being.

Due to the identified relationship between the organisational performance and employee performance in the business organisations, the management continues to focus on aligning their organisational performance with employees' performance in the business strategy for driving transparency, managing progress towards goals effortlessly, and evaluating the overall process in line with individual performances (KSU, 2017). Further, KSU (2017) elaborates on the steps taken by the organisation for such alignments, such as the development of corporate goals to be attained periodically, i.e., monthly, semi-annually, and annually.

### **2.18.2 Sales Growth**

Furthermore, academic researchers in the literature agree on the significance of sales and profit in organisational performance. According to Sam and Hoshino (2013), it is the primary goal of the business organisations operating across the globe to maximise revenue and to enhance sales continuation even at the expense of decreased profitability in the short and long term, respectively. In this context, Sam and Hoshino (2013) show that businesses focus on the factors which effectively influence their sales growth, including internal motivators and retention of talented employees. By improving growth potentials for the employees to exploit technologies and innovation, the businesses improve their production process, and ultimately such process leads to reduced cost and increases sales.

Additionally, Yoo and Kim (2015) identify that the business can assess its liquidity with the help of revenues and sales margin. The decreased sales growth is likely to impact the decreased margins, and reduced business margins lead to the depletion of working capital, affecting organisational performance. Academic researchers in the literature, Yoo and Kim (2015) have related these findings to the 2008 global financial crisis by the large-scale companies encountered the chain of bankruptcies due to the reduced financial ability to deal with the liquidity crisis. Hence, sales have an adequate, practical function in the overall organisational

performance, making the business capable of investing in more growth opportunities in times of recession and economic downturn. Literature (Berkmen, *et al.*, 2012) indicate that the business organisation is more sensitive to the economic fluctuations, and the same response has a favourable impact on the growth and is likely to survive the failure too.

In this context, Yoo and Kim (2015) highlighted that besides focusing on present sales growth, the potential investors and other stakeholders are also interested in the past growth analyses for assessing the current increased profitability of the business organisation. Such studies also show how the business's aggressive growth strategy affects the firm's profitability in a stable business environment and economic situation.

### **2.18.3 Community**

Besides employees and sales growth as the traditional factor in organisational performance, the contemporary literature is introducing the new topic of community-based behaviours to drive the business organisation's performance positively. Igalla *et al.*, (2020) state that community-based initiatives are gaining prominence across the Western countries due to their effectiveness in encouraging innovativeness, problem-solving capacity, and legitimacy among the business organisations. In discussing the effectiveness of such initiatives, Igalla *et al.*, (2020) surveyed the Netherland-based organisation to identify the relationships between performance and four antecedents of the community-based initiatives (n = 671). These community-based initiatives were transformational leadership, boundary spanning leadership, organisational capacity, social capital ties and government support. According to the research findings, all the antecedents of the CBI are positively related to organisational performance either directly or indirectly.

Furthermore, in discussing the effectiveness of community in influencing the organisation's performance, Lesser and Storck (2001) state that when the organisation tends to grow beyond the original geographical scope and complexity, they start searching for other sponsorships and supportive communities of practice groups. These groups are based on shared and common interests and can significantly improve organisational performance. It can be implied that community factors are uniquely identified as the ones acting as agents for developing social capital. Lesser and Storck (2001) further confirm that a community of practices is likely to positively affect the specific performance outcomes such as co-location, the development of a

sense of trust and mutual obligations, and benefit-sharing of the common language and context among the committee members. An organisation operating across the globe with a multidimensional focus can reap the benefits of a community of practice and in killing their organisational performance by making behavioural changes in their social capital to create sustainable value for the long run. The district ultimately helps the businesses in reducing the cost as well as improving their overall organisational performances.

Due to the evident relationship between the community and organisation performance, the factor has been used as a critical component, and the businesses across the globe have started seeing community relationship budget as the central part of their financial management (Googins, 1997; Lesser & Storck, 2001; Lendrum, 2011). In discussing the example of the Shell chemical company, Googins (1997) has shown that the same has integrated the ‘Welcome Labour’ policy in Louisiana for gaining substantial business payback. By offering proactive communication with the country’s community leaders, workforce and environmentalists, the company can save millions of dollars in construction costs and vanished sales (O’Boyle, 2015). The business has further identified the significance of community relations in helping to settle the class-action lawsuit with the citizens related to the tragic explosion and fire at Shell chemical’s site in Belpre, La. Furthermore, the business has used its community relations in developing the programme, such as enabler of corporate choice strategy and self-maintaining an expansion of the company’s licence. Such community factor has been helping the international organisation in managing and enhancing its community application too, which is highly needed in the contemporary environment relatively (Googins, 1997).

It is essential to indicate that the committed relational community of practice is not a new concept in the business literature. Instead, its relationship with organisational performance has been investigated since the 21<sup>st</sup> century. In an article published in the Harvard business review, Wenger and Snyder (2000) defined the communities of practice as groups of people informally bodies together through shared expertise and passion for a joint enterprise – engineers engaged in deep organisational functions. According to the researchers, the community-based practices may or may not have exactly age and a different business organisation (Wenger & Snyder, 2000). Yet, the same can inevitably impact experience and knowledge in free-flowing, creative ways. In the modern environment, the business says that operating individually without a community focus may not be able to share the knowledge or change themselves in any way.

Literature (Wenger & Snyder, 2000) have further identified that communities of practice are the performance area. The business focuses on the soft management of business practices necessary for improving organisational performance and diversity. It helps the company expand, solve problems, benchmark against best practices, enhance people skills and help improve recruitment and talent retention strategies. In this manner, although community-based practices focus on intangible elements, mainly knowledge and data, the approach focuses on the supernatural resources that are helping the businesses to relatively attain the goals related to tangible elements. However, not for every business organisation it is easier to pursue the community of practice approach as it is a non-traditional way requiring adequate infrastructure as well as skills and competencies among the workforce to cultivate the attitudes and behaviours needed to interact and relate with communities respectively (Wenger & Snyder, 2000).

#### **2.18.4 Environment: Monetary or Non-Monetary Performance**

Similarly, the fourth factor identified in the literature influencing organisational performance is related to the environment. Previous studies have categorised domains into internal and external ones; each has an individual and a collective impact on the overall business strategy and the nonmonetary economic performances (Aithal, 2017; Porter, 2017; Perelet, *et al.*, 2014). In this context, there is a multitude of theoretical frameworks which are used by businesses for the assessment of their international environmental factors. These theoretical frameworks mainly include SWOT analysis, PESTLE analysis, PORTER's five forces, and value chain analysis. Each of these frameworks has different prices and benefits for the business organisation.

These frameworks clarify the different actors and strategies in the international market that can shape the competition intensity for a business organisation. In this context, rivals or competitors are significant (Jenkins & Williamson, 2015; Aithal, 2017). In fact, previous studies believe that without understanding the impact of these environmental actors and stakeholders, none of these organisations can identify their position in the industry, which is extremely necessary to improve the organisational performance (Aithal, 2017; Porter, 2017). These factors include competitors, suppliers, the threat of new entrants and the threat of substitutes. Likewise, Aithal (2017) also highlights the significance of industry analysts to help the businesses enhance our understanding of the factors affecting organisational management.

Such analysis assists in managing the company's administrative, environmental, and functional areas. Comprehensive industry analysis can help an organisation effectively tackle the issues presented in the internal and external environments.

Likewise, previous studies suggest that the marketing mix model critiques the fundamental frameworks for business organisations in every industry (Jenkins & Williamson, 2015; Porter, 2017). The model allows the business marketers to identify the product and service offerings desired by the target market and helps them plan efficiently for the successful such product/service offerings. Under this model, the business can attain the overall organisational goals of reputation and financial stability relative to the competitors.

### **2.19 Theoretical Insight**

Amongst the vital claims of the philosophy of research investigation, only well-developed theories would be able to meet the requirement to predict and justifies the truths of the phenomena (Feynman, 1955) and only these theories can only be acknowledged which fulfil such requirements (Freund, 1950). The literature suggests that competition is unavoidable in the business world (Kuncoro & Suriani, 2018). The competitive advantage is a need of any business; however, it lasts for short term and brings a temporary rise in popularity. The key success for a business is the sustainable competitive advantage which lasts for longer. Ultimately, it enables business to achieve its target goals and if an organisation is sustainable then it can increase the profit (Dagilience & Dainiene, 2015).

The emergence of the sustainability concept in the 1960s was a response to inadequate resource management practices (Dagilience & Dainiene, 2015). Slaper and Hall (2011) provide a definition of a sustainable organization as a business that generates profits for its shareholders while concurrently safeguarding the environment and enhancing the well-being of the individuals with whom it interacts. The sustainability concept has become increasingly critical in contemporary times because of mounting concerns about the environment and social justice. Businesses are under increasing pressure to adopt sustainable practices that minimize their environmental footprint and promote social equity, while also generating profits for their shareholders.



In fact, Slaper and Hall's definition provides a useful framework for evaluating the performance of businesses in terms of their sustainability. By focusing on the triple bottom line of profits, planet, and people, businesses can adopt a comprehensive approach to sustainability that balances economic, environmental, and social considerations. Such an approach can lead to long-term success for the organization and create positive outcomes for all stakeholders.

### **2.19.1 Triple Bottom line**

In mid 1990s, John Elkington attempted to measure sustainability by involving a new framework to measure the performance in US corporate sector (Hammer and Pivo, 2016). The framework was known as Triple Bottom Line (TBL). The framework went beyond the traditional ways to measure the profit, shareholder value, and return on investment to involve environmental and social aspects (Slaper & Hall, 2011). Hence, the financial framework cooperates in three dimensions to measure the performance such as social, environmental, and financial. These dimensions are also referred as the 3Ps (people, planet, and profit) triple value adding (Roberts & Cohen, 2002). Elkington defines TBL in his own words as “the sustainability agenda, long understood as an attempt to harmonise the traditional financial bottom line with emerging thinking about the environmental bottom line, is turning out to be much more complicated than some early business enthusiasts imagined. Increasingly, we think in terms of a “triple bottom line”, focusing on economic prosperity, environmental quality, and—the element which business has tended to overlook—social justice” (Elkington, 1999).

There is neither a universal standards method to measure TBL, nor a commonly accepted methods to calculate which includes each of the 3Ps categories (Slaper & Hall, 2011). This can be considered as the strength of the TBL framework as it provides the flexibility to the user to adapt the framework as per the business needs, different geographical regions and different projects or policies. TBL can be tailored to nearly any organization.

A critique highlights a key practical problem associated with TBL that there is no common unit which provides options to measure TBL categories (Dagilience & Dainiene, 2015). In contrast to that Slaper and Hall (2011) value the flexibility of TBL performance indicator that can be monetised. The practical implementation of TBL can face challenges which include determining each dimension of TBL categories, finding valid data, and analysing policy contribution to sustainability (Slaper & Hall, 2011). However, TBL allows organisations to assess the results of their decisions in long run perspective.

### **2.19.2 Stakeholder Theory**

In 1984, Freeman originally presented the stakeholder theory of business ethics which addresses values and morals in managing a business (Freeman, Dmytriiev & Philips, 2021; Langrafe *et al.*, 2020). Stakeholder theory emphasizes on the unified relationship between a business and its consumer, employees, investors, suppliers, communities, and others that have an interest in the business (Freeman, Dmytriiev & Philips, 2021)

The theory promotes an effective, practical, and ethical approach to manage organisation in an extremely complicated and instable environment (Freeman, 1984). Freeman, Harrison & Wicks (2007) define stockholder as individuals and organisations which have an interest in the practices and the results of the organisation, with a determination of creating value for consumers, employees, suppliers, and local community (Freeman, Phillips & Sisodia, 2020). The profit growth of a business is not only the purpose of stakeholder theory but the balance between stakeholder expectation is recognised as an essential condition for the long-term survival and achievement of the businesses (Freeman, 1984; Post *et al.*, 2002).

In stakeholder theory evolution, many questions have been raised for instance, how to prioritise and identify stakeholders, how to know their demands and interests, how to keep a balance relation between various stakeholders and engaged them in organisation activities (Freeman *et al.*, 2010). The classification of stakeholder is important. Therefore, they can be classified in two categories such as internal and external (Stoner & Freeman, 1999). The internal stakeholder are those individuals act within the organisation for examples employees and owners. Whereas the external stakeholders involve groups that directly interact with the organisation for instance consumers and suppliers.

### **2.19.3 Institutional Theory**

Motivations that come from society and important stakeholders, can direct attention to institutional theory. Institutional theory has a long history and has been admired in various disciplines i.e., economics, political theory, and social theory. Legitimacy theory and institutional theory share much in common in which it understands that institutions must interact with its surrounding social system (Bjorck, 2004; Guth, 2016). However, legitimacy theory is focus on the society perceptions and feelings towards the firm. Whereas, the

institutional theory is more interested in, how the firm interacts inside and how it copes with pressures from society.

Between 1977 and 1983, the grounds of institutional theory took root, which is currently fully understood, during a broader exploration process to understand the elements that support effective and sustainable organisational performance (Guth, 2016; Scott, 2007). The theory suggests that external social, economic and political pressures impact businesses strategies and decision making as the business legitimate or legitimize their practices in the understanding of other stakeholders (North, 1990; Glover *et al.*, 2014). Institutions are defined as standardised patterns of behaviour located across and within organisations and providing significance to social order and exchange. Such behavioural patterns comprise industry and organisational standards and norms (Guth, 2016).

This theory provides a theoretical lens, which helps researchers to identify and study the influences which promote survival and legitimacy of the organisational practices, involving factors for instance social environment, culture, regulation, tradition, economic incentives and recognising the resources (Brunton *et al.*, 2010; Lai *et al.*, 2006). Institutional theory pursues to describe the process and rationales for the organisational behaviour and the influence of such behaviour arrangements in a larger interorganisational context (Guth, 2016). The traditional concern of the intuitional theory is the how groups and organisations better secure legitimacy and positions by adapting the rules for instance regulatory structure, laws, societal practices, and institutional environment norms (Meyer & Rowan, 1991).

Institutional theory has emerged as the dominant theory of organizations, often described as a macro-theory of organizational relations with the environment (Reed & Burrell, 2019; Munir, 2020). While the scope of institutional theory has been broadened to encompass a wide range of phenomena, it has also been criticized for being overly broad in its application to explain the persistence and homogeneity of organizational behaviors (Dacin, Goodstein & Scott, 2002). Despite its limitations, institutional theory has proven to be a valuable framework for understanding the ways in which organizations respond to external pressures and adapt to their environments. The theory posits that organizations are shaped by institutional norms, rules, and practices, and that they conform to these institutional pressures to gain legitimacy and achieve their goals. As such, institutional theory has provided a useful framework for studying a range of organizational phenomena, including organizational change, innovation, and

strategic decision-making. However, it is important to recognize the limitations of institutional theory and to approach its application with caution, to avoid oversimplification and to ensure that the theory is used appropriately and effectively.

## **2.20 Relationship between Fair Trade Policies and Organisational Performance**

Besides, the literature has also focused on how the previous researchers, in general, have attempted to determine the relationship between fair trade policies and organisational performances in different countries (Eze & Bello, 2015). In this context, when assessing the influence of fair trade policies on the clothing companies, Eze & Bello (2015) have reported that fair trade practices can reap high media publicity for the business and help devise promotional efforts. However, the fair trade's exact impact is when the business organisation selling under the fair-trade label is also engaged in unethical business practices. The effects of fair trade are visible in enabling consumers to read and identify genuine trade products quickly, which ultimately allows them to assess the corporate social responsibility of the business. Increased quality expectations associated with the fair-trade products further help them attain the desired goals.

Ruben (2008) explains the significance of trade and encouraging adequate investment activities among the community people to help the improvement in the general life issues. Fairtrade practices help organisations attain community goals through established cooperative programs. Such investments in the socio-economic and environmental activities help them increase their business reputation and consequently on the other aspects of the business. Additionally, besides the tangible benefits of their organisation's performance, trade practices are also helpful in providing and managing market knowledge associated with the company. It further shows that when the federal policies can improve the situation and condition of life of the farmers and the other supply chain members directly, such impacts are also visible on their other stakeholders' expectation fulfilment and satisfaction. An organisation can positively impact the producer's income and the quality of its product (Modelo, 2014).

Likewise, other dimensions of the fair-trade policy are visible in the organisational performance by helping the businesses strengthen their workers and promote a democratic environment. Federal guidelines can drive decent working conditions and enhance farming performance and environmental protection. Besides, business organisations can increase

gender equity in the workforce. According to Darko *et al.* (2017), regular practice of sales and certifications has been shown to have positive qualitative effects on the management and organization of cooperatives and producer groups. These qualitative outcomes are also apparent in enhancing the organisational relationship with the other community members in the network. On the other side, quantitative investigation state substantiates the positive impacts of fair-trade policies and practices on the control of resources by the leadership.

From the critical analysis of the literature, it can be depicted that there is a significant gap in the literature focusing on the relationship between the fair-trade policies and the organisational performance of the sports ball industry in Pakistan. Based on the identified gap, this research will focus on the sports ball industry in Sialkot necessary for dealing with the research problem identified in chapter 1.

## **2.21 Conclusion**

Hence, it can be concluded from the overall literature analysis that organisational performance is challenging for business management when devising the business strategy for a specific period. These business organisations put all the desired level efforts into their system and lead short and long-term organisational performance. From the critical review of literature, the chapter has identified several ways used by the global organisations to measure their performance as well as different factors which are focused on by these organisations when assessing their performance. Such understanding can assist in evaluating the organisational performance of the sports ball industry players in Sialkot city of Pakistan, as well as in identifying the relationship between the fair-trade policies and the organisational performance of these players, respectively. After reviewing the literature, the fourth chapter of the research presents and justifies the choice of research methodology used in data collection and analysis from the primary data participants.

## **CHAPTER 3: RESEARCH CONTEXT**

### **3.1 Introduction**

This chapter is based on the research context industry. The literature includes Sialkot sports industry history, fair trade entry, industry rise and fall, sales trend and previously known child labour issues, sports balls industry issues, and contribution of the sports industry to the country's economy and improvement in labour rights and working conditions under fair trade care. The sales trend data was achieved through the document analysis.

### **3.2 The Sports Equipment Industry**

Sporting equipment, also known as sporting goods, comes in various forms depending on the sports game. The sporting equipment ranges from balls to nets and other protective gears such as helmets. The equipment is either used as a tool or a protective gear that assists the employees in completing the sports. Over the years, the sporting industry has evolved in sports, resulting in the equipment and tools used (Sage, 2015). The sporting goods market will witness record growth in the next five years. The significant contribution is linked to increased health-conscious consumers who have integrated sports into their everyday lives (Sage, 2015).

Among the various segments offered in the sports industry like sports apparel, sports tourism, sporting goods, sports sponsorships, and so on, sporting goods are anticipated to increase their share in the sporting industry. Consequently, there is an increase in competition among the manufacturers of sporting goods, which led to the improvement in distribution channels, quality, price, and efficient supply chain management to maintain market sustainability (Tanveer, Rizvi & Riaz, 2020). The North American region shows the most significant value share and is probable to maintain its dominance in the future; the growth prospects for sports equipment also look favourable in the Asia Pacific. The period between 2010-13 witnessed the sports equipment rise in the Asia Pacific region, experiencing a higher growth rate compared to areas such as Europe and North America (Venables, 2015). The sports equipment in the region is further driven by the economic growth of countries like Japan, India, China, and Australia (Tanveer, Rizvi & Riaz, 2020). There are several reasons why the industry needs to adapt fair trade. The sports equipment sector is also embracing different technologies and producing various products that allow it to keep pace with the change in global trends (Venables, 2015).

### **3.3 Overview of the Sialkot Sports Industry**

The town of Sialkot is known as the world centre of hand-stitched soccer-ball production (Atkin *et al.*, 2015). The success, as well as the prominence of a small town in the soccer ball industry, is fascinating. During the 1982 World Cup, Sialkot received its first international exposure to the world of the sports ball manufacturing industry. The “tango” ball of the town was used for competition, and Sialkot was brought to the front. Since then, it has become an enormous force in soccer ball production (Abbasi & Din, 2020).

After the independence, Sialkot became a hub and main centre of producing sports goods from Pakistan. The sports goods manufacturing in Sialkot started in 1883 when two men from Punjab province started a factory to produce sports goods for the British army (Joshi *et al.*, 2018). The factory initially used to make cricket balls, bats, hockey sticks as well as polo sticks. Today, the sports good manufacturing from Sialkot consists of three sub-sectors: football, sportswear, and gloves (Joshi *et al.*, 2018). The manufacturing of the sportswear and gloves is done inside the factories, while the football manufacturing is done within 60 km from Sialkot (Nawaz *et al.*, 2017). Football manufacturing is considered a skilled process (Karim, 2009). Hence, most areas near Sialkot are famous for manufacturing sports goods.

There are more than 300 companies registered with Pakistan’s Sports Goods Manufactures and Exports Association (PSGMEA). In contrast, the companies registered with the Sialkot Chamber of Commerce and Industry are more than 20 thousand (Nawaz *et al.*, 2017). The annual exports of Pakistan were also more than 338 million USD in 2014-15, while there are more than 1200 organisations from Sialkot that are exporting goods all around the world. As per the current numbers, more than 20 thousand people are associated with the sports ball sector in Sialkot (Atkin *et al.*, 2016). This has also helped increase Pakistan's overall economic condition for a long time.

#### **3.3.1 Historical Sight**

According to Raza (2016), the first occurrence of production of the soccer ball in the Punjab region was recorded in 1889. At some British request, the residents produced soccer balls for them. The Britishers were tired of the long-wait process of ordering their soccer balls overseas. Therefore, they started buying it from Sialkot. After this incident, soccer ball production continued and developed to the extent seen in the present day. The request from the group of

British individuals transformed the framework of Sialkot. Producing soccer balls allowed local artisans to use their skills of working with leather to cater to British requirements. The sports balls were traditionally hand stitched, but the efficiency and perfection of the workers' skills acquired the town a contract to manufacture footballs for FIFA World Cup in 1982 (Zaheer, 2019).

Sporting goods produced in Pakistan had already penetrated 98% of export markets by 1972, and by 1997, it reached around 135 markets. It has been witnessed recently that those East Asian producers are challenging the market position held by Sialkot, more so in the low end of the market (Atkin *et al.*, 2016). Despite this, Sialkot still reigns in the dominant position as a producer of soccer balls stitched by hand. As expected by one, Sialkot is the visual representation of the financial dependence of the city on the production of soccer balls. One can find an incredible figure, an astounding number of 2000 of sports ball factories in Sialkot. For a population of fewer than 2 million people, most of them work in the soccer ball production industry and sometimes the entire family (Atkin *et al.*, 2016). The existence of the cluster of soccer-ball industry argues about the keystone of modern thinking concerning the development and trade, which is called the "home market effect" (Krugman, 1980). It is the idea that countries having a larger domestic market for certain goods will export them.

The post-war expansion of the sports ball industry was also due to the government's industrial policy, two programmes. According to Lund-Thomsen *et al.* (2016), the government introduced the first programme in 1960-61 with the creation of a specialised industrial area in the town of Sialkot that sold land to companies at 50 per cent of the original land value. The second programme was started in the early 1970s and the middle of the 1980s when the government operated a scheme of export rebates. The reason behind the development of such a scheme was to start the non-traditional exports, which were only applicable to manufacturing products and allowed firms to claim sales tax, customs duties, and excise duties on raw materials utilised as inputs for exporting products (Atkin *et al.* 2015).

### **3.3.2 Golden Era of Sialkot Sports Industry**

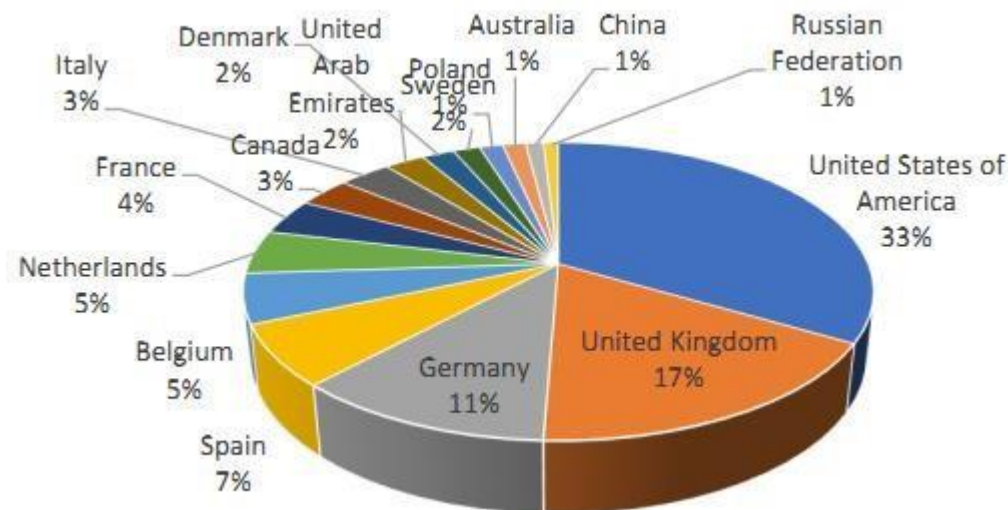
The football sector experienced a golden period in 1980, with the government offering rebates on export items. Exporters experienced more significant rebates starting from the 1970s and up until the 1990s. This period witnessed foreign clients visiting and staying in the city for two



to three months while searching for sports ball manufacturers. The quick expansion seen in exports during the 1990s and 1980s remains consistent with the rebate policy’s perceived success, with exports of football balls thriving in the 1980s-90s (Atkin *et al.*, 2016).

### 3.4 Pakistan as a Massive Exporter of Sports Balls

Sialkot, Pakistan, is the world’s biggest exporter of soccer balls in FIFA world cup competitions and other soccer tournaments globally. Sialkot makes almost half of the world’s soccer balls; 99% of the balls are exported, accounting for \$40 million soccer balls annually (Arbab, 2019). In 2017-2018, the ministry of commerce reported that Pakistan exported balls worth \$122 million, which is 10% higher than in 2016-2017. Pakistan is represented in FIFA World Cups as the largest quality exporter of soccer balls, which are a joy to over 200 million Pakistanis (Arbab, 2019).



**Figure 2: Pakistan sports goods exports destination** (Arbab, 2019)

Sialkot in Pakistan exported over 42 million soccer balls worth Rs 17.473 million during the FIFA Football World Cup 2014 (Saleem, 2014). The country always makes adequate arrangements to promptly clear the Sialkot dry port before every significant football event to facilitate the timely delivery of export consignments. In the FIFA Football World Cup 2014, the Sialkot-made soccer ball was used for the matches after a gap of around 32 years (Atkin *et al.*, 2016). Forward Sports Sialkot manufactured the sports ball “Brazuca” for the Adidas

brand. Brazuca was a breakthrough innovation for Pakistan's sports ball industry, featuring six-panel designs created for every player on the field (Saleem, 2014). The revolutionary featured six identical panels and a unique surface which would provide improved grip, touch, and stability to the players on the field. This whole consignment of sports balls was the hard work for the local workers in Sialkot.

Sialkot and Pakistan gained international celebrity status after manufacturing balls for the FIFA Football World in 1982. After this event, all the major international brands such as Adidas, Nike, Puma, Wilson, and others started to source their supply of balls from Sialkot (Awan, Khattak and Kraslawski, 2019), and it became the hub of a cottage industry in Pakistan. Approximately 99% of the sports products produced in Sialkot are exported to different countries worldwide (Hassan *et al.*, 2015). Even the SMEs in Sialkot earn over US 1.6 billion dollars annually in foreign exchange through export and trading system. This process has also helped Pakistan to strengthen its national economy. The country's government has also initiated the cost of over PKR 435.637 million in Sialkot to modernise their sports ball industry (Soviet *al.*, 2016). The city is also based on SMEs and large enterprises employing 200,000 labourers. As a result, it contributes 6% to the country's total exports (Awan, Khattak & Kraslawski, 2019).

### **3.5 Economic Contribution of the Sports Balls Industry in Pakistan**

Pakistan's sports balls and goods industry has played a vital role in improving its international trade of sports goods. Today, Pakistan exports its sports goods, especially sports balls, to different countries worldwide. Hence, most of these products are manufactured as per the requirement of the international target markets. Pakistan's sports goods have gained international fame due to their excellent quality and organised manufacturing and delivery of products to customers. Today, Pakistan exports its sports goods and balls to several internationally famous brands like Adidas, Nike, Puma, and Lotto. The share of sports goods in the exports of Pakistan was 1.51% in the year 2016 (Zafar *et al.*, 2017). In this limited share of export of sports goods, football within sports balls category had dominated the shares with 43% of shares from 2012 to 2013. Pakistan's sports goods manufacturing association plays a vital role in promoting the sports balls industry. It has been an expert in producing and exporting sports balls, other goods, and sports accessories worldwide for over eight decades.

In 2015-2016, football exports accounted for 1.51% of total exports made by Pakistan and 43% of all exported sports products. There are more than 300 firms registered with Pakistan Sports Goods Manufactures and Exports, while more than 20,000 firms are registered with the Sialkot Chamber of Commerce and Industry (Economic Times, 2018). The ball industry has employed more than 100,000 people working in various parts of the factories. Sialkot has a high employment rate; the industry has been a source of income for many families.



**Figure 3: Sports goods exports of Pakistan** (Arbab, 2019)

In 2014, the total exports of sports goods were approximately US\$ 260 million, while the inflatable balls earned US\$ 211 million. Sialkot, Pakistan exports its goods to countries like Germany (14%), the UK (10%), the USA (8%) and the Netherlands (7%). The sports ball industry in Sialkot caters to more than 60% of its total world demand and produces approximately 40 million balls annually (Atkin *et al.*, 2015). This whole business activity provides employment to over 200,000 individuals. The sports ball industry and sports goods sectors are among the most essential sectors in Pakistan, with total earnings of US \$450 million per annum. Pakistan has also manufactured several world-famous balls, such as Brazucas in FIFA World Cup 2014 (Saleem, 2014). Sialkot and Pakistan’s sports ball industry started gaining recognition in FIFA Football World Cup in 1982.

According to the industry experts, the sports goods manufacturer from Punjab utilises materials worth billions of rupees to import raw materials. The government also supports the industry’s

development as it earns many foreign exchanges for the country. Sialkot is considered a formative producer of good quality products in sports, sportswear, and other accessories. According to the reports, around 400,000 people are directly or indirectly involved in these export activities. The annual export earnings of Sialkot are equivalent to the US \$1 billion (Hussain *et al.*, 2016). Large and popular sportswear brands like Adidas, Nike and Puma supply their goods from Sialkot.

### **3.6 Challenges in the Production of Sports balls**

The entire set of footballs used in the 2018 FIFA World Cup was manufactured in Sialkot, located between the Pakistan-India borders. Since the production of sports balls is concentrated in developing nations, who find it difficult to participate in the process. Various reports are also emerging, concerning the disruptive changes that have majorly impacted the manufacturing of balls and production processes. Some of the challenges are the increase in production cost and issues in quality arising due to the workers' resistance to new technology (Yawar & Seuring, 2017). Researchers from the Lahore School of Economics studied the cluster of sports ball-producing firms in Sialkot. They found that workers resisted new technology even when it was given to them for free. Most sports ball production is concentrated around the town of Sialkot, the primary source of global hand-stitched soccer balls. Recently, the industry has been facing intense competition from East Asian countries, specifically China, which has hurt exporters (Tanveer, Rizvi and Riaz, 2020).

Many times, Pakistan experienced dominant status in the global market offering football. However, in recent years, new competitors have emerged in the form of China, India, Thailand, and Taiwan (Tanveer, Rizvi & Riaz, 2020). As they have shifted their production to recent technology which allows them to produce better products at lower cost. Since 2006, in the international market the football share has been notably declined (Mansoor, 201; Nawaz, 2016; Tanveer, Rizvi and Riaz, 2020). Due to intense competition, Sialkot receives only 30-40% of orders which were 70-80% in early century (Manoor, 2011). It has been evident for the last few years that China dominance is rising. China, having a 28.9% market share in 2004, rose to 50.5% in 2009. At the same time, there is a large decline in the market share of Sialkot sports industry. In 2009, Pakistan had just 13.2% compared to 23% in 2006 (Tanveer, Rizvi & Riaz, 2020).

Besides this, there were cases where child labour was involved and regulations that transformed production from hand-stitched footballs to machine-stitched ones (Lund-Thomsen *et al.*, 2016). It was in the late 90s that Pakistan caught the scrutiny of other international agencies when the country's football industry was accused of hiring underage children to produce hand-stitched footballs in Sialkot factories. One of the famous sports companies, Nike, cancelled the orders of hand-stitched footballs in 2006 after accusations surfaced about the employment of child labour in the industry. Developing countries like Pakistan still face the problem of child labour (Lund-Thomsen *et al.*, 2016).

Another problem witnessed ball manufacturing sector is the implementation of modern technology in factories producing sports balls. In traditional production, manual labour is employed by factories to cut the outline of pentagons and hexagons from rectangular rexine sheets (Atkin *et al.*, 2015). Introducing the new technology that facilitates the current of rexine offers the advantage of less waste production as well as time management. However, every firm did not accept this. When further inquiries were made, the reason was pinned to fewer incentives among the factory workers (Khattak & Stringer, 2017). Many of the softball cutters employed by the factories are paid based on the number of pieces they produce. Therefore, the workers are not concerned with the factory's overall output. Due to this, workers are less motivated to learn to operate the new equipment and machinery. This also consequently relates to the decreased production rate when the workers are being trained. Instead of paying the workers based on the number of pieces they produce, payment based on hours should be followed as this will help them in the learning and operating new equipment. The conflict of interest between the workers and the factories creates an obstacle. Providing a certain kind of monetary incentive to learn new techniques will also improve the workers' competency, and acceptance of innovation and organisational changes work together to lower the range of obstacles.

Currently, the sports balls industry in Sialkot receives less orders as compared to the 1990s. There are numerous reasons for the dropping market share; power and gas shortage has made it challenging to meet deadlines in the era of Just in Time (Tanveer, Rizvi & Riaz, 2020). There is little focus on new technology in the production units of Sialkot. The rising demand for machine-stitched balls is badly affecting the sale of hand-stitched balls from Pakistan. Football manufacturing in Pakistan has a rich history, despite many problems it has been facing in the recent past. There are more issues, for instance, intense competition, energy shortage, labour

issues, lack of Government support, Security risk, lack of facilities and no subsidy from the Government (Tanveer, Rizvi & Riaz, 2020). Further to highlight the security concerns, Dunmire (2009) indicates the disastrous incident 9/11 which tainted everything in the world. Also, Prawindarti (20011) states business confidence deteriorated in ASEAN after 9/11 which especially affected Pakistan in the region. Data shows that Pakistani SMEs' performance is not satisfactory. Pakistan SME's performance is weak as per the recent evidence. The key elements which are affecting the performance are less innovation, low level of productivity, poor research and development, unskilled workers, and high competition which the key barriers to create and sustain competitive advantage (Tanveer, Rizvi, & Riaz, 2012; Arshad *et al.*, 2020).

In the sports goods industry, less use of technology is a key concern, as the sports industry is primarily operating at a small scale, so considering the high cost of technology is quite challenging for sports industry. This sector is mainly dependent on labour, which is unaware of the technology use, therefore, it is an issue for this sports sector in modern era as the technology has substantial importance in today's industry and lack of technology affects the productivity of the industry (Nawaz *et al.*, 2017).

### **3.7 Industrial Production Structure, Workers' Rights, and Exploitation**

The manufacturing of sports balls is a skilled based labour industry. In an industrial supply, balls' production occurs in informal settings like home-based work and stitching centres. The rest of the work, such as cutting panels, laminations, screen printing, checking quality control and packing, is finalised by factory workers. Intermediaries are preferred to complete the work by big names in the Sialkot industry. Sharma (2016) states that soft low skills requirement is needed in the stitching process, making child labour attractive to work in the stitching units. There is a sustaining local belief of children's lithe figures being effective for stitching. The industry has raised a hue and cry around eliminating child labour. Still, reports from the International Labour Rights Forum mention that the practice persists. ILRF has admitted that the efforts in the past decades have not led to the abolition of child labour in the stitching of soccer balls. However, the problem has lessened in Sialkot. There are many informal settings that hire child labour.

Due to the industrial structure, most of the labour is cluttered around the village, so workers in this industry act as resources for exploitation. The rising unemployment rate and cost of living make it easier for capitalist employers to dictate the terms of work. The concept of regular or

permanent jobs is diminishing, and it has been replaced by the idea of contract labour and temporary work (Pyke & Lund-Thomsen, 2016). Being at the mercy of contractors most of the time and working in unstable employment has increased the danger of working conditions. Labour rights are kept documented, however, when it comes to the practical implementation, it severely lacks social security and other labour benefits. Under Pakistani law, these labours are not accepted as formal workers, and, even if they do have the rights, their fear prevents them from organising as they can be replaced easily. The government, industry members and advocacy groups are undertaking efforts to eradicate child labour issues and preserve labour rights (Pyke & Lund-Thomsen, 2016).

The attention towards bonded child labourers was first raised in 1996 by the Internal Labour Rights. It focused on child labour hired to produce soccer balls for major sports labels such as Nike, Baden, Adidas, and Challenge. In response, the manufacturers of soccer balls agreed to participate in an ILO-sponsored monitoring program. ILO has started child labour monitoring (CLM), which ensures no child is employed in a factory (Kazmi & Macfarlane, 2017). Coordinating suitably ensures that child labour is monitored, and the legally used workers are kept safe from workplace hazards and exploitation. On a local level, there is active scrutiny of child labour with the support of a referral system that creates a link between ex-child labourers and appropriate services. CLM involves identifying child labourers and referring them for protection and prevention through a coordinated multi-sector process of monitoring and referral that aims to protect children residing in a geographical area.

### **3.8 Ethical Regulations and Initiative of Labelling in the Sialkot Sports Balls industry**

Since the interest in standardisation of labour laws have found a new interest, it may be observed that the regulations concerning the working condition and workers relations are progressively significant in the public discourse for international trade discussions. There are significant debates in which the consumers policy makers and civil societies participate with the demand for standardisation of labour law. The resurgence of debate regarding the standardisation of labour law through trade has been supportive in shifting focus towards the importance of social labelling programs (Faulkner & Johanson, 2018; Caspersz *et al.*, 2022). Social labelling programs like the concept of fair trade are regarded as practical and desirable avenues that would significantly address the weak labour laws in South Asia.

The social labelling programs are drafted concerning certain sets of predefined guidelines concerning the minimum standards (Awan, 2017). These predefined guidelines are in the form of specific codes of conduct which are needed to be followed by the individuals. The primary aims of the social labels, including fair trade, is to set examples like child labour-free productions, goods which may cause minimum harm to the environment, and appropriate, hygienic, and safe working conditions being extended to the labourers (Brown, 2001; Awan, 2017; Hasle & Vang, 2021). According to Lund-Thomsen and Coe (2015), the exercise of the utilisation of social labels is old and may date back to the late 19<sup>th</sup> century. As per the discussion, in 1898, one significant social label, ‘white label’, was drafted based on specific standards. It also consisted of a list of companies that prohibited child labour and sweatshops.

Within the South Asian market, it may be seen that social labelling, particularly fair trading, is highly preferred. Fayyaz *et al.* (2017) argue these processes are market-oriented and voluntary. Such programs are also an outcome of collaborative interventions. Unlike the trade sanctions, which are widely recognised as coercive measures, these alternatives are easier for standardisation. Various international development programs are charged and directed towards establishing worker protection in Pakistan and worldwide. However, Padda and Asim (2019) claim that the workers may not require such protective measures if they had essentials from the beginning and top firms’ obligation to respect workers’ rights (Arnold, 2016). Fair trade in Pakistan aims to empower the producers and labourers by ensuring that the necessary and crucial rights are accessed by them prominently. Thus, one of the primary functioning of fair trade incorporates the involvement of the labourers. The producers are provided with the opportunity to have their say on issues that may directly impact them (Zajak, 2017). The fair-trade practitioners tend to certify their products and labels (Gulati *et al.*, 2018).

Fair trade can offer an actual channel to promote discussions and awareness around the deep-rooted global issues. The production and consumption systems are being re-thought and ensure that the consumers play a significant role in creating a fair and sustainable world (Gulati *et al.*, 2018). Even though a long history is shared among the niche market, fair trade is regarded as relatively new and is evolving at the current stage. It is considered the responsibility of not only the certifiers but also the business institutions and consumers that the fair-trade notions can meet global challenges regarding development. Zajak (2017) states the consumer holds power in recent times so that the accountability and transparency of fair trade are kept intact.



More responsible vision as far as the future is concerned may be encouraged with a contribution to the further development of fair trade.

### **3.8.1 Ethical label era in South Asia**

In Pakistan, football was the first product qualified for bearing the fair-trade logo. Talon was the first factory in the football industry that allowed fair trade certification in 1997 (Anderson *et al.*, 2017; Abbasi & Din, 2020). It was seen that the previous year, the football industry was banned entirely as far as exports of manufactured products were concerned, which was attributed to the use of child labour in the production of the footballs. Therefore, it may be stated that fair trade has been serving as an opportunity for the football producers to manufacture the much-in-demand products without fearing violation of labour in any form (Woodward, 2016). The consumers inferred the manufactured final products bearing the fair-trade logo in the year 1997 as a signal that the production of the footballs had been done under standard and humane working conditions and all the labour standards had been followed without any violation. Since thousands of labourers are engaged in producing football and other sports balls within the Sialkot region, it may be qualified under the ‘standard of hired labour’ regarding fair trade.

### **3.9 Sialkot Sports Ball Industry Development**

Sialkot is a city of rich history, home of renowned poets, and a warfare place (Atkin *et al.*, 2016; Nadvi, 1999). However, in consideration of recent times, one of the most popular aspects is the production of sports goods supplying to all the major international horizons. One of the fascinating features is that the industry employs approximate 0.2 million labourers having a close to a 60% literacy rate. However, despite this fact, the entrepreneurs of Sialkot are assumed to contribute \$1.6 billion to Pakistan’s export economy (Atkin *et al.*, 2016). The industry in a context essentially produces football, hockey sticks, rugby balls, hockey gears, bats, sports bags, and goal nets, to name a few.

One of the most significant achievements of this industry is that it is affiliated with all the major sports brands that are functional globally (Hussain *et al.*, 2016). Therefore, big brands like Puma, Nike, Adidas, Micassa, Diadora, Decathlon, Reebok, Kika, Molten and Wilson can be seen as being associated with the industry and primarily dependent on production, especially from this area in Pakistan (Carter, 2018).

Sialkot is the export capital for Pakistan since these sports goods production enterprises are catering worldwide regularly and continuously (Khattak & Stringer, 2017). However, apart from the sports accessories, the area is also renowned for producing surgical instruments, leather garments, and musical instruments for naming. Thus, it might be stated that the industry is increasing, providing a broader scope for the country to enhance its functionality in the global market (Carter, 2018).

According to the reports, it has been mainly mentioned that the sports industry alone depends on the football production in Sialkot (Khan *et al.*, 2010). As 75-80% of soccer balls are produced in Sialkot, which are hand stitched and are of premium quality (Khattak and Stringer, 2017). There is a vast network operational. A population of 400,000 is involved in reaching the set benchmark in an effective manner (Abidin *et al.*, 2015). Even though it may be stated that multiple sports equipment has been garnering attention, the most prominent and significant in recent history was undertaken by Saga sports when the company exposed Sialkot and its sports industry to clients from foreign platforms. In the year 1982, 'tango ball' was used in the FIFA Football World Cup product from Sialkot (Abidin *et al.*, 2015). Since then, the Sialkot-produced footballs have been synonymous with standard quality. On average, 30-42 million balls per year are catered to customers around different parts of the globe from the Sialkot sports manufacturing industry.

As far as recent performances are concerned, the 'Brazuca' soccer ball used in FIFA Football World cup 2014 was manufactured by Forward Sports in Sialkot after signing a deal with the renown sports brand, Adidas (Saleem, 2014). More recently, Pakistan has been represented in FIFA football world cup 2018 as well, with the production of Adidas Telstar 18 in Sialkot (Atkin *et al.*, 2016). However, despite gaining revenues of multimillion-dollars, Zafar *et al.*, (2017) indicate that the opportunity became worthless in sense that most people around the globe are unaware of the origin of Brazuca or Telstar 18 from Sialkot. Thus, the city with exceptional talent and entrepreneurial skills remains underappreciated.

The Sialkot sports goods exposure has been rewarding to the city sports producers. More opportunities are flooding in, and the city is the hub of sports ball manufacturing (Fayyaz *et al.*, 2017). The scope of constant progression is apparent. However, the underlying less appreciation and certain specific challenges are prevalent, which needs attention. Thus, the city

may continue to be regarded as the export capital of Pakistan, particularly regarding other products and gear.

### **3.10 Child Labour Elimination**

Child labour was a massive degradation of Pakistan's sports goods industry. In 1997, the International Labour Organization partnered with the Sialkot Chamber of Commerce and Industry and UNICEF to eliminate this problem from Sialkot's sports ball industry. This led the Punjab government to outlaw child labour. At the same time, the initiative's leaders promoted social safety for the ex-child labourers by providing them with proper education and technical training in the field. This has also led the sports ball industry and makers to promote and sponsor children and other youth activities regarding good health and the environment. The Global Forum for Sports and Environment furthers its initiative by bringing in 250 participants from the sporting goods industry, athletes and several international and regional sports federations and associations to discuss the impact and contribution of the sports ball industry to sustainable development (Qureshi *et al.*, 2015). Pakistan has been investing significant effort in its sports balls to make it more environmentally friendly.

### **3.11 Environmental Goals of the Sports Balls Industry in Pakistan**

The sports goods federation has decided that most soccer balls worldwide will be produced environmentally friendly as part of the sports industry's responsibility towards the environment. This statement was agreed upon at the Third Global Forum for Sports and Environment, held in Sialkot and Lahore by the UN Environment Programme (UNEP), the Global Sports Alliance, and Pakistan's sports manufacturer company Irfan Group of companies (Khattak & Stringer, 2017). Sialkot is a leading sporting goods industry that produces over 60% of soccer balls (Khattak & Stringer, 2017). Hence, they have decided to reduce and improve the use of water as well as the energy used for producing these balls.

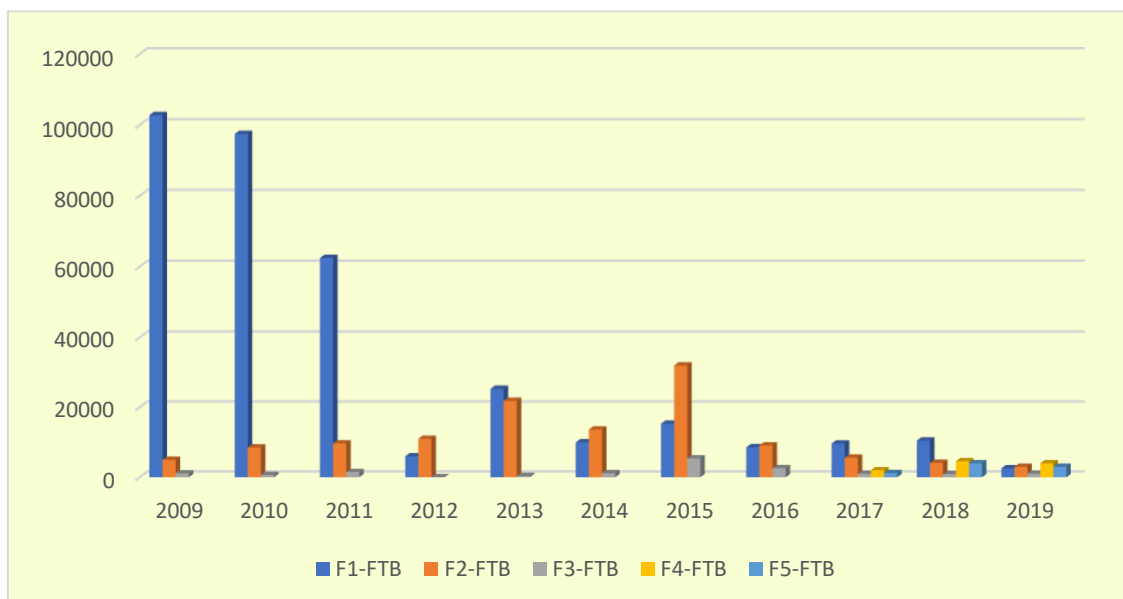
The sport ball industry in Sialkot has decided to introduce cleaner technology to reduce the number of toxins, chemical waste and other pollutants gathered during the production of the balls. This will help them to raise awareness for the environment. Following the footsteps of Sialkot, Lahore has also decided to include the environment as a critical factor during the production of sports goods in their non-financial reporting. The sports goods organisation based in Sialkot and Lahore is taking adequate measures to minimise waste and incorporating

environmental principles. Several major sporting goods manufacturers like Nike, Mizuno and Adidas have agreed to accept and follow Pakistan’s idea of greater sustainability in the sports balls industry. The Sialkot ball industry has generated approx. US\$ 1 billion in retail sales per annum (Abidin *et al.*, 2015).

This industry has also improved in various aspects, such as its child labour record. Now, they have decided to take more significant responsibility for environment-friendly manufacturing. The sports ball industry leaders are committed to improving this sector's working and environmental standards. They are also promoting better business practices in human rights and the environment while fighting against the growing corruption in the country’s business sector. It has pledged to make the sports balls industry in the country to be greener and polluting-free. Lahore was selected as the first venue outside of Japan for the Global Forum for Sports and Environment because of Pakistan’s contribution and business in the sporting goods and sportswear industry.

### 3.12 Sialkot Sports Industry Sales Trend

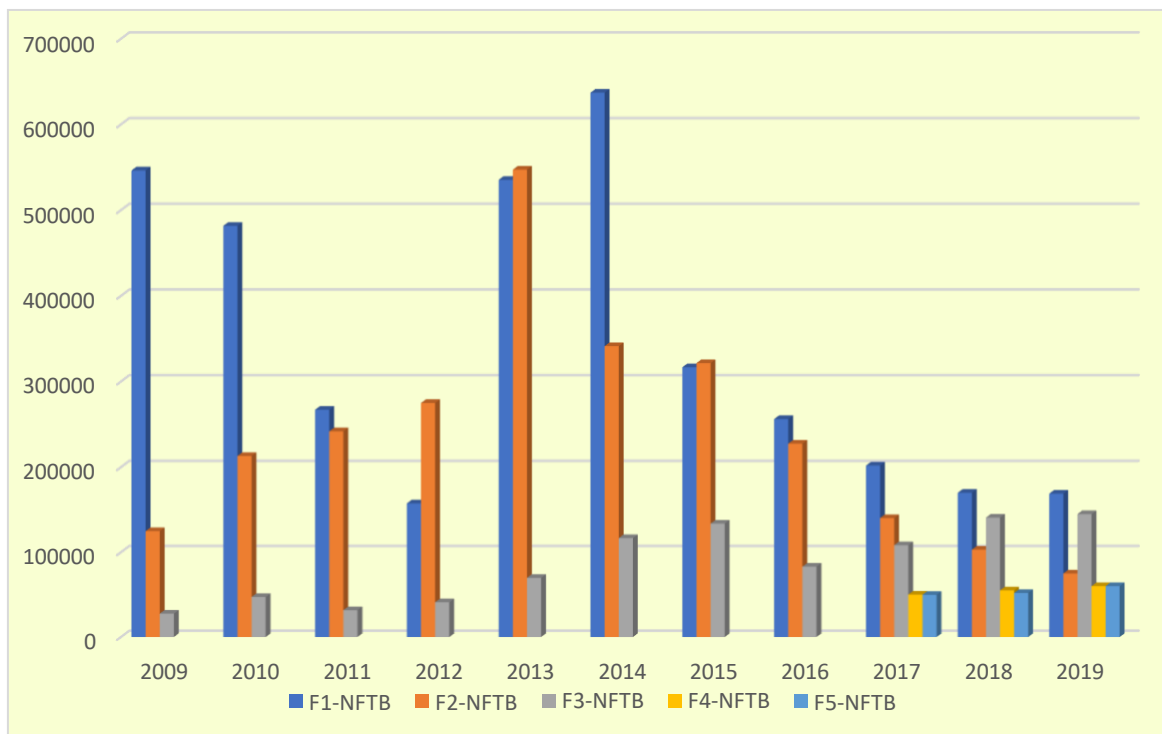
The graphs below show the fair trade and conventional sports balls sales trend. The sales figures vary from company to company; for instance, the initially registered companies show the sales figures for fair trade and conventional balls for over ten years. At the same time, the newly registered firm offers sales data for three years. The information was collected as a secondary source.



**Figure 4: Fair trade sports balls sales**

(Source: Author)

Figure 4 shows the number of fair trade sports balls sales. The vertical axis indicates the number of sales. Firm-1 sales number has shown a steady decline from 2009 until 2011. Firm-1 was the pioneer company that brought a fair trade concept to South Asia. After 2011 the collapse in form-1 sales shows a surprising number. Whereas firm-2 shows a slow rise from 2009 to 2015. Later, a dramatic decline in firm-3 sales from 2016 to 2019. Firm-3 market shares from 2009 and 2019 were always low, and only a slight fluctuation can be observed. In 2017, three more firms were added to the fair trade list. However, one of those firms refused to provide annual sales number. Firms 4 and 5 sales show a slow rise from 2017 to 2019. International buyer supports and encourages newly registered companies. As a result, it offers a slow growth in the last two firms.



**Figure 5: Conventional sports balls sales**

(Source: Author)

The above figure 5, shows the five firms' data on conventional sports balls; the sports balls category can also be called as non-fair trade balls. The chart shows sales tenure from 2009 until 2019. The newly registered firms 4 and 5 offer the sales figures from 2017 to 2019. The initially registered firms 1 and 2 show surprising rise and fall for 11 years of tenure. Firm 1 shows a slow decline from 2009 until 2012 and then a dramatic increase in 2013 and 2014. From 2015-2019, firms 1 and 2 show a slow decline in annual sales. Firm 3 offers a slow growth over 11

years. The new registered firms 4 and 5 offers a low growth between 2017 and 2019. Overall, most firms show dramatic rise and fall in their sales.

### **3.13 Quality of Sialkot's Sports Balls Industry**

In the international market, footballs are distinguished based on performance, quality, price, and technology. Different varieties and types of footballs are further categorised based on their use and technology (Tanveer, Rizvi & Riaz, 2020). Facilitating sports events has become one of the everyday business activities for countries to generate money. As per the economic experts, hosting sports activities has enabled trade and industry to flourish along with increasing the employment rate and reducing the poverty rate for countries. Hence, the government of Pakistan has also started to focus on offering quality sports facilities to develop its business opportunities and strengthen its economy. Pakistan has always been a massive manufacturer of sports goods; however, its sports goods industry has recently faced severe competition from places like India, Taiwan, and South Korea (Tanveer, Rizvi & Riaz, 2020). Thereby, Pakistan needs to offer additional facilities to improve the export quality by modernising and mechanising the industry.

Being a manufacturer of almost 80% of the world's hand-stitched sports balls, Sialkot is not only functional on a global level but is also credited to be the only destination around the globe in which the sports ball factories are Fairtrade certified (Khattak & Stringer, 2017). The industry is keen to provide high-quality balls, and at the same time, it strives to be at the forefront of technological development. As per Washington (2018), it is majorly done to ensure quality maintenance effectively. It is an undeniable fact that hand-stitched football production is a labour-intensive procedure (Zaheer, 2019). The quality as it is later, one of the most necessary inputs of the production process, is also regarded as necessary apart from the quantity in which the products are generated and catered worldwide. However, it may be seen that to address the increasing demands worldwide, skilled, and unskilled labourers work in different positions, including stitchers and intermediaries (Pekdemir *et al.*, 2015; Lund-Thomsen, 2012). With the input of substantial labour being evident as recognised that social labelling programs like the fair trade might be helpful for the labourers. The primary aims of the processes as such are to improve the drastic livelihoods of certain labourers and bring them out of the acute poverty and hardships that they have been witnessing at large (Dammert & Mohan, 2014).

The country has established the Sports Industries Development Centre (SIDC) to infuse Pakistan's inflatable ball technology mechanism. Their initial goal was to produce 3,500 balls per day, including the ball, basketball, American ball, volleyball and so on. However, it has improved with the increment of the shifts depending upon the need of the consignments. The SIDC has been rewarded with a total cost of Rs 436 million by the federal government (Khattak & Stringer, 2017). They are using this money to invest in developing the prototype balls for local industry and training their staff to enable the domestic manufacturers to replace the setup of hand-stitched balls with mechanised balls. The money will also be used for developing imported machinery within the country with the help of reverse engineering and intellectual property rights (IPR) facilitation. It would also help facilitate IPR and manufacturing of mechanised inflatable balls for SMEs to let them experience new technology, which can help them to sustain the current global trade.

### **3.14 Conclusion**

It can be specified that the fair trade program has made adequate changes in favour of workers and individuals working in the lower level of organisation. It is responsible for ensuring positive benefits and advantages for workers. The study shows that fair trade has helped the sports ball industry of Sialkot to ban and eliminate child labour practices. It has improved the condition of women working in the industry. It has changed the existing working condition of Sialkot workers to a significant extent. However, compared with machine-producing sports balls, it became difficult for the Sialkot sports balls industry to cope with the competition. A weak organisational system and structure further affect the possibility of organisations taking measures to strengthen the economic scope of low-paid workers.

## **CHAPTER FOUR: RESEARCH METHODOLOGY**

### **4.1 Introduction**

The chapter presents and justifies the research methodology selected for data collection to investigate the impact of fair trade policies on the organisational performance of the sports balls industry in the city of Sialkot in Pakistan. Research methodology refers to the structured way of exploring the research problem using various primary and secondary data sources, whatever is required. The methodological framework is essential to identify the steps and the sequence of the steps needed to attend to the overall aim and objective of the research. For a comprehensive understanding of the research components in this study, Saunders *et al.*, (2009) 'Research Onion' is followed. The research onion is comprised of seven layers, each of which individually assists in the selection of a method.

### **4.2 Research Philosophy**

The first layer of the research onion highlights the choice of research philosophy for the investigation. Research philosophy refers to the system of assumptions and beliefs to develop a knowledge (Saunders *et al.*, 2009). Such knowledge can be derived from the researcher's internal and external sources in the society. These sources help the researcher perceive the aspect of reality that can be viewed as unchangeable and fixed like universal truths and can be analysed as a variable. Many philosophical options were available for the present study such as positivism, interpretivism, critical realism, postmodernism, and pragmatism.

#### **4.2.1 Positivism**

Positivism is a philosophical stance feasible for the investigations requiring focus on the objective mode of reality in seeking answers to the research question. The emphasis of the researcher is on hypothesis testing using the existing theories. Positivism is relatively suitable for researchers with measurable variables (Saunders, *et al.*, 2015). The main goal of positivist inquiry is to create explanatory associations that eventually lead to prediction and control of the phenomena in question (Park, Konge & Artino, 2019). Like every methodological component, there are significant advantages and disadvantages of the positivism philosophy, too, such as society's strong influence on people's actions related to a specific research issue or problem. The study may result in inadequate findings in case of using invalid, non-reliable



and non-representative data. Additionally, it requires the researcher to stay detached from the participants.

#### **4.2.2 Interpretivism**

Interpretivism is a philosophical stance suitable for research studies that emphasise the subjective mode of reality in searching for answers to the research question (Saunders, et al., 2015). Under this philosophy, one believes that truth is continually changing and can be variable for individuals in one situation or one individual in different situations relatively (Saunders, *et al.*, 2015). The perceptions of the individuals experiencing reality decide his/her reality. If selected in the current research, interpretations of the individuals, groups or organisations experiencing fair trade policies and their effects on organisational policy support political history would shape the direction of the study (Bryman & Bell, 2015). However, interpretivism limits understanding of a research phenomenon based on the opinions of the individuals' consciousness (Schwartz-Shea & Yanow, 2020). It believes humans cannot be considered puppets who react only to external social forces as positivists. Hence, with this philosophical stance, it is easier for the researcher to gain in-depth insights into the lives of different respondents.

#### **4.2.3 Realism**

Phillips (1987) defines philosophical realism as “the view that entities exist independently of being perceived, or independently of our theories about them.” Realism allows to apply the new methods of research. It is important to conduct research first, to know the reality (Bryman, 2012). This philosophical stance is like positivism, however, the only difference between them is that positivism supports scientific methods whereas realism does not. Simply, realism raises queries about the reliability of scientific data. It supports in keeping the fact that all theories may not be just true or complete. It stresses on the possibility where such theories can be revised any time (Saunders *et al.*, 2015). Realism encourages consistent research and applying new methods that can increase the reliability of results in contrast to the present theories. In this regard the new methods introduced to the research add to true knowledge.

#### **4.2.4 Pragmatism**

Pragmatism philosophy accepts relevant concepts if they support action. Pragmatics acknowledge that there are various ways of underrating research and interpreting the world,

that a single point of view cannot draw an entire picture and there could be a possibility of multiple realities (Saunders, Lewis & Thornhill, 2012).

Concerning the sources and nature of knowledge, positivism and interpretivism are the two intense mutually exclusive paradigms. Many studies largely involve one of these two key paradigms. However, there is an infrequent need for seasoned scholars to revise their theoretical assumptions and try to a new position within the range (Collis & Hussey, 2013). Further, Wilson (2014) explains that research question is the main factor to adapt the research philosophy. Within a single research, pragmatics research can combine positivism and interpretivism together, however, it entirely depends on the nature of the research question

#### **4.2.5 The Choice for the Current Thesis**

Due to the consistency between the selected research philosophy and the research aim and objectives, an interpretivism philosophical stance was chosen for the current thesis. The choice of interpretivism was justified by the literature studies, in which researchers have substantiated the use of interpretivism on fair trade impacts in different region. It can be analysed critically from the empirical studies reviewed in the literature that academic researchers have employed the interpretivism philosophy by focusing on qualitative measures associated with organisational performance and fair trade policies. The nature of objectives was subjective. There were some aspects of the fair trade that could not be counted or expressed in numbers. Such aspects were included effect of fair trade on factory workers especially Fairtrade premium money impact on workers livelihood and socioeconomic status, long term impact on community and environmental protection. However, to study the fair trade sports balls sales trends a quantitative method was applies as a minor method. The chosen philosophy shed the light on workers experience, effect of fair trade on their livelihood, executives' opinions, experiences, and idea about fair trade. The sales data sets (financial statement) were not available online, however, the data sets were received upon request from five firms whereas one of the firms refused to provide their annual numbers of sales.

Because of the interpretivism philosophy, the exploratory research design was selected to drive the research process. The exploratory approach investigated the impact of fair trade in different dimensions of South Asian city that has not been studied in-depth before. It was necessary to explore the relationship between the research variables in this study, such as factors or

indicators that have an influence on organisational performance and impact of fair trade policies on sports ball industry in Sialkot city of Pakistan.

### **4.3 Research Approach**

Additionally, after selecting the research philosophy, an appropriate research approach was required to be chosen in the research onion. The research approach refers to the type of data sources that should be used to find the answer to the research question (Saunders, *et al.*, 2015). Generally, there are three types of research approaches qualitative research approach, quantitative research approach and mixed research approach (Snyder, 2019), each of which has its pros and cons.

#### **4.3.1 Qualitative Approach**

Qualitative research refers to the approach that stresses the projections, opinions, and motivation of individuals who have experienced the research problem directly or indirectly. A qualitative approach is helpful for business investigations to provide in-depth insights into the research phenomena (Saunders *et al.*, 2015). The method can refer to research about the individuals' lives, emotions, experiences, behaviours, and feelings. Also, about the social movements, organisational functioning, cultural aspect, and communications between nations (Rahman, 2017). This shows that qualitative research method includes multiple realities (Saunders *et al.*, 2015), and is not statistical. Under this approach, it is unnecessary to identify probabilities and findings through numerical measures. However, due to the lack of numerical approximations and possibilities, it is not more accessible for the researchers to generalise the qualitative research findings easily.

The qualitative method includes unique benefits. The approach produces detailed descriptions of participant experience, feelings, and experiences (Denzin, 1989). In addition to that, the approach holistically understands the individuals' experiences in a specific setting (Reman, 2017) and considered as ideographic research (Denzin and Lincoln, 2002). The approach involves commonly used methods for data collection for instance participant observation, direct observation, and unstructured interviews (Cohen, Manion & Morrison, 2011). The qualitative research offers flexible structure since the design can be constructed or reconstructed to a larger greater extent (Maxwell, 2012).

### **4.3.2 Quantitative Approach**

A quantitative research approach is a system that emphasises the measurable and statistical data findings to test the hypothesis (Saunders *et al.*, 2015). A quantitative research approach can assist in defining the consequence of an incident or an event quantitatively. Bryman (2012) defines quantitative research as, “a research strategy that emphasises quantification in the collection and analysis of data”. Identifying the cost and benefit of the specific organisational practice or method associated with a research issue is beneficial because journals use the measurement scales for assessing quantitative findings depending on the scope and accuracy of the measurement scale (Connolly, 2007). However, the results gathered from the quantitative approach may not always be precise as it can confuse the readers if not accompanied by an interesting qualitative description. For example, in using the sales trends analysis for the economic performance measurement of the sports ball industry of Pakistan, there is a possibility that the target audience of the research is not able to understand the numerical research findings. However, their quantitative studies provided an adequate image of risks associated with specific business practices. Nevertheless, the application of the quantitative method is costlier and requires user experience and advanced tools (Adikari, McDonald & Campbell, 2015).

### **4.3.3 Mixed Research Approach**

Similarly, the third promo that is used mainly in business studies is a mixed research approach, where both qualitative and quantitative methods are integrated to cross-validate the findings of each other to reach a satisfactory conclusion simultaneously (Saunders *et al.*, 2015; Bryman & Bell, 2015; Kumar, 2008). However, when using the findings of qualitative and quantitative approaches together, it is essential to use information complementing each other to offer a balanced and efficient data collection and analysis. Similarly, duplication of data should also be given significant consideration (Saunders *et al.*, 2015). The advantages of mixed research are cost mitigation and efficient checking of a large amount of data (Bryman & Bell, 2015; Saunders *et al.*, 2015). Generally, the business researchers find the mixed research approach extremely useful to drive how objectively and subjectively the data can be dealt with to reach a satisfactory conclusion. None of the research approaches, qualitative and quantitative, is individually capable of addressing the research issue thoroughly. Therefore, integrating multiple processes will likely maintain the credibility of the research findings and help cross-

relate these findings for future researchers. The mixed research approach is also helpful in identifying the need for future research by addressing the key issues (Saunders *et al.*, 2015).

#### **4.3.4 The choice for Current Thesis**

Therefore, both qualitative and quantitative research approaches, were employed consistently with interpretivism philosophy in the current thesis. The purpose of the research was accomplished through a two-step process based on the primary and secondary data collection and analysis. Therefore, for gaining comprehensive information about the available organisation, public record, and the research participants, it was essential to create a framework for Sialkot sports balls industry to enhance their organisational performance. This clarified how fair-trade policies could enhance organisational performance using a quantitative research approach helped to assess the key performance indicators for measuring the corporate version of the sports ball industry of Pakistan. With the help of the printed and electronic records and evaluation of the relevant documents.

Inductive and deductive research are two approaches or methods used in the field of research, particularly in social sciences and logic. They represent different ways of reasoning and formulating research questions or hypotheses.

##### **4.3.4.1 Inductive research method**

According to Creswell (2014), inductive research entails "making generalisations from a set of specific observations". To arrive at more general ideas or explanations, the researcher uses specific facts. A bottom-up methodology called inductive research includes obtaining information or observations and applying it to create more general ideas or generalisations. It begins with the gathering and examination of certain occurrences, patterns, or trends before making inferences from these findings (Glaser & Strauss, 2017; Patton, 2014). The researcher starts with a particular case or a limited amount of data and works their way up to a more comprehensive grasp of the phenomena or hypothesis.

Instead of testing existing hypotheses, inductive research focuses on creating new information or theories from the facts. As the researcher is receptive to new patterns or unexpected results during the analysis process, it promotes exploration and discovery (Strauss & Corbin, 1998). The commonalities or trends seen throughout the various cases are captured by themes, concepts, or theories that are produced through iterative data collecting and analysis.

#### **4.3.4.2 Deductive research method**

Deductive research, according to Creswell (2014), entails "beginning with a theory or theoretical framework" before moving on to test the hypotheses obtained from the theory. Deductive research is a methodology approach that begins with broad theories or hypotheses and then tests them through detailed observations or data analysis (Creswell, 2013). The researcher starts with a hypothesis or a set of hypotheses and looks to confirm or disprove them using empirical data in a top-down logical process.

When conducting deductive research, the researcher develops predictions or hypotheses based on the broad theories before gathering information to evaluate them (Bryman, 2016). To determine if the data collected support or refute the original theories or hypotheses, they are analysed (Remenyi *et al.*, 2010; Saunders, Lewis, & Thornhill, 2016). This method places a strong emphasis on using logical thinking and applying prior information to direct the research process.

Within the realm of scholarly investigation, deductions can be derived by researchers from the data acquisition and analysis phase, employing a methodology known as deductive reasoning. The veracity of a given theory is deemed fortified when the outcomes obtained align harmoniously with the initial conjecture. In contrast, should the results fail to substantiate the proposed hypotheses, it becomes incumbent upon the researchers to contemplate a potential revision or outright abandonment of the theoretical framework.

A logical foundation for research inquiries, the opportunity to test and improve upon existing hypotheses, and the ability to compare findings from other studies are just a few benefits of deductive research. Deductive research, however, largely depends on the calibre of the original theories or hypotheses as well as the reliability of the research design and methods used (Trochim & Donnelly, 2008).

#### **4.3.5 The Choice for Current Thesis**

Inductive approach meets the research requirements for this study. As the research question of the present study guides the collection of the data. It is inductive as it started with a data collection where the various aspect came into limelight that were further investigated through quantitative method as part of objective- two to find out the relationship between fair trade and

traditional sports balls sales growth. It was a minor part of the research that bridged the gap between qualitative data to in-depth interviews where certain reviews were pre-dominantly noticed about the fair-trade logo creating the brand image to gain the traditional sports balls growth, therefore, it was important to find out the relationship between fair trade and traditional sports balls sales ratio. Hence, the study only meets the requirement of inductive research method as the quantitative data was only used to support the set of ideas to explain the sales growth as a key performance indicator while discussing the impact of fair trade in relations to attract new international clients which eventually increase the market shares.

#### **4.4 Research Strategy**

The third layer of the research onion was associated with research strategy, which refers to selecting the proper method to approach the research participants or data sources and data gathering. Similarly, the research strategy choice relies on the chosen research approach in the previous layer, as not every research is suitable for the investigation. The research strategies used in social and business experiments include surveys, document surveys, interviews, case studies, action research and others (Bryman & Bell, 2015; Saunders *et al.*, 2015). Before identifying the research, the strategy selected in this investigation, the pros and cons of different alternatives are analysed below.

##### **4.4.1 Survey Questionnaire**

The survey questionnaire is one of the most prominent research strategies used in quantitative thesis. Survey questionnaires refer to the structured way of collecting data using the set of predefined questions and appropriate responses for each question given to the participants to choose from these options. The benefits of using a survey questionnaire in the research is cost-effectiveness, administering the instrument with a large percentage of the participants, and understanding and interpretation in line with the research aim and objectives (Saunders *et al.*, 2015).

##### **4.4.2 Document Analysis**

The second document analysis research strategy applies to the qualitative research method. Document analysis refers to examining the appropriate data and information findings from the published and traditional data sources (Bryman & Bell, 2015; Saunders, *et al.*, 2015). However, in opting for the specific strategy, the researchers must examine the nature and forms of documents and identify the advantages and limitations of using these documents in the research

process. Document analysis also requires adequate skills and competencies to interpret findings without modifying the original meaning addressed in the study (Bowen, 2009). Maintaining the originality of the results is essential when using the data sources of the other researchers on a similar topic. Since organisational performance is a subjective variable, therefore, analysing the documents of the other authors or the organisations in the sports balls industry in Pakistan, significant prudence would be required, to be exercised as the indicators of organisational performance may vary and defined differently from one organisation to another even in the same industry. The performance indicator sales growth data for 11 years was gathered through document analysis.

#### **4.4.3 Interview**

Similarly, interviews are also recognised as a feasible research strategy for qualitative investigations, where the researcher aims to gather their findings on the research phenomena in a complex project from the subject of interest (Kumar, 2008). This subject can be categorised as an individual, group or business organisation in a specific industry (Hammersley & Traianou, 2012; King & Horrocks, 2010). However, in using the interview strategy, the researcher needs to investigate that the research process should not be inclined to the plagiarised competition from either the interviewer or interviewee. In this context, the strategy should consider involving more profound and directly engaging research processes with two-way dialogue (Saunders, *et al.*, 2015). In this context, three types of interviews are used in research investigations: structured, semi-structured, and open-ended (Bryman & Bell, 2015). Using structured interviews are beneficial for the research when the subjects under study are individuals with low educational backgrounds or experience of a specific issue. Therefore, the predefined research questions help them answer to the point without deviating from any relevant subject (Saunders, *et al.*, 2015).

Contrarily, the application of semi-structured interviews is helpful for the investigations, where the researcher controls the research process but simultaneously wants to allow the research participants to share any additional detail associated with the research topic (Bryman & Bell, 2015; Saunders *et al.*, 2015). However, this interview method is useful when the participants are experienced enough about a topic (Bryman & Bell, 2015). Alternatively, the third research method used for interviews is an open-ended strategy, where the researcher allows the participants to show the direction of the discussion about a specific issue. This strategy often



leads to an in-depth discussion of the indirect variables and issues not considered necessary by the researcher, e.g., some other performance indicators highlighted by the research participant used within their organisation for measuring their performance. However, using open-ended interviews, the researcher needs to include significantly experienced subjects in the research process to avoid bias or prevent the inclusion of relevant findings (Kumar, 2008; Saunders *et al.*, 2015).

#### **4.4.4 Case Study**

Likewise, the case study strategy is also one of the effective strategies used in business research. A case study is employed when the research issue relates to a specific subject, i.e., person, group, or business organisation (Saunders *et al.*, 2015). The case study strategy requires the researcher to maintain the observation and exposure to the research subject for an extended period. In such situations, the study can be time-consuming, the data is hard to obtain, or the disclosure of the information is expensive.

#### **4.4.5 Focus Group Discussions**

Focus group discussions are also helpful in conducting a group of people from a similar background or experience to drive the discussion related to the specific topic of interest (Bryman & Bell, 2015). Focus group discussions are a beneficial strategy for qualitative investigations, where the researcher asks the different individuals' perceptions, attitudes, beliefs, and opinions. However, discussions carried out under the system may lead to disagreements and irrelevant discussions that may distract the focus of the study. Therefore, the researcher kept the size of the focus group discussions low to control and manage the process efficiently. The opinions shared by the different individuals can be tricky to analyse. Therefore, focus group discussions were initiated to encourage people to accomplish the mutual goal (Saunders *et al.*, 2015).

#### **4.4.6 Action Research**

Additionally, the researcher can conduct action research by involving them self in the research setting, such as participating in social activities or campaigns to create answers to the research problem (Saunders, *et al.*, 2015). However, when using such a strategy, the researcher may find it difficult to distinguish between his action and the research process. Consequently, the action research findings can result in delayed outcomes due to a lack of repeatability and rigour

(Kumar, 2008; Saunders *et al.*, 2015). Since the researcher of the current thesis did not work for or participate in the sports ball industry of Sialkot in Pakistan, action research was unsuitable for the present investigation.

#### **4.4.7 The Choice for the Current Thesis**

Among the many alternatives for the strategies, the current thesis applied three research strategies, that is, document analysis, focus group discussion and interviews (Bryman & Bell, 2015). In the first stage, document analysis was conducted using the systematic procedure for reviewing and evaluating the relevant documentation necessary for identifying the relationship between organisational performance and fair trade policies of the sports ball industry players of Sialkot in Pakistan. Document analysis helped to analyse the key performance indicators from the business organisations available as public records in both printed and electronic forms. Under the strategy, the focus was on analysing organisation activities, mission statements, annual reports, policy manuals, strategic plans, and activities records on fair trade websites. Similarly, the data findings gathered under the document analysis were used for analysing the other relevant vital indicators and themes suggested questions for the question of interviews (Saunders, *et al.*, 2015). These indicators included corporate social responsibility goals, long-term impacts on the committee, and triple P (People, Planet and Profit) in main research context. Furthermore, in the second stage, focus groups discussion were conducted using the sample selected from Sialkot sports ball industry factories production and stitching units. There are only six fair trade sports registered firms in the world where all of them are based in the Sialkot city. Only five firms allowed their workers to take part in the focus group discussion whereas one firm refused to conduct a focus group discussion.

Lastly, interview sessions were conducted with the research participants in the selected organisations to investigate the overall indicators of organisational performance of the firms. Also, focus groups and document analysis helped to validate the expert interviews information as well as to obtain some other relevant information about the research subject (Kumar, 2008).

#### **4.5 Time Horizon**

Moving on towards the fourth layer of the Saunders *et al.*, (2015) research onion, an appropriate time horizon was chosen. The layer ahead to a timeframe for the research that can be cross-sectional or short-term as well as longitudinal or long-term. Based on the appropriate

timeframe, data collection data analysis is possible in line with the research criteria. The researcher needs to analyse the duration he needs to submit the outcome of the research in front of the intended research audience before opting for a specific time horizon (Bryman & Bell, 2015).

#### **4.5.1 Cross-Sectional Horizon**

Investigations with a cross-sectional time horizon focus on a specific point of time and do not require a considerable amount of cost to investigate the research problem. The cross-sectional study can investigate multiple variables at a particular time and take a data snapshot (Saunders, *et al.*, 2015). However, the outcomes of this study cannot be generalised in future studies with long timeframe gaps, for instance the findings of the current investigation conducted in 2019 cannot be applied to assess similar research variables in an experiment conducted after ten years. The main reason is that cross-sectional findings are based on the present situation. Therefore, with the changes in the internal and external environment of the business, there is a significant change in these findings too (Saunders *et al.*, 2015).

#### **4.5.2 Longitudinal Horizon**

Investigations with the longitudinal horizon emphasise the analysis of a research issue over a specific period which may be comprised of several months or years. The application of longitudinal reason is mainly feasible in healthcare and social science studies with a distinct experimental focus (Bryman & Bell, 2015). Under these investigations, the researchers are up to evaluate the efficacy of a particular drug or diagnose a rare disease. Contrarily, in business investigations, longitudinal operations can be used to investigate the impact of a specific business strategy, policy, or practice on the overall business.

#### **4.5.3 The Choice for the Current Thesis**

The short-term cross-sectional study was conducted in the current thesis due to the research's nature and scope and the limited submission timeframe. The focus was placed on the specific point of time to assess the organisational performance and the relationship between the fair trade policies and organisational performance in the sports ball industry of Pakistan.

## **4.6 Sampling and Population**

After selecting the justified research philosophy, approach, and strategy in this thesis before moving towards the next layer of the research onion, sampling and population were described. Population refers to the broad set of individuals, groups, or organisations with similar characteristics. With a defined population, it is easier for the researcher to identify an appropriate sample size representative of the entire population and capable of growing satisfactory conclusions about the research issue in specific research. Therefore, the adequate focus was placed on the sampling strategy and the sample size in the current study (Saunders, et al., 2015).

### **4.6.1 Sampling Strategy**

In this context, an appropriate sampling strategy was chosen after exercising great caution. Two sampling strategies are available for business researchers: random and purposive (Saunders, *et al.*, 2015). The random sampling strategy is where the entire population is offered an equal chance of selection in the research without any bias, while the purposive sampling strategy is where the researcher exercises his discretion in selecting the required subjects from the population. In the purposive sampling strategy, all the participants are not given an equal chance of participation as only those who can be valuable for producing adequate research conclusions are included (Bryman & Bell, 2015).

Due to the three different types of research strategies selected in this thesis, sampling strategies did vary for these different strategies too. The purposive sampling approach was used in Sialkot sports ball industry. However, to qualify for the selection, these organisations had to meet the certification criteria in the fair trade regulations, such as few companies were operating in the industry for over ten years under fair trade regulations and three companies were registered in past few years. On the other side, a purposive sampling strategy was used to withdraw the expert discussions from executive management through semi-structured interviews. Focus group interviews were conducted through stitching unit workers, production staff and Fairtrade premium committee (FPC) members.

### **4.6.2 Sample Size**

The sample size is also an important decision for the thesis. Sample size refers to the number of individuals or business organisations withdrawn from the population to make it

representative of the entire population (Saunders, *et al.*, 2015). The appropriate sample size is essential to increase research credibility. In this search for the document analysis, there are annual reports of six fair trade organisations (Talon Sports, Vision Technology Corporation, AKI, Tramondi Pakistan, Silver Star Enterprises, and Ali Trading Company).

Likewise, for the focus group discussion, the sample size was kept between 8 -10 people from various departments of the selected sports organisations. It is essential to understand that the sample size was set aside small because the researcher wanted to gather in-depth findings from the research participants. The complexity of the research process involved in a focus group might have limited the researcher’s focus in selecting a large sample size (Bryman & Bell, 2015).

The Table 1 below showed the characteristics of focus group participants in qualitative research, tables increase the trustworthiness and transparency (Cloutier & Ravasi, 2020; Lincon & Guba, 1985). The tables also indicate whether the firms have provided annual sales numbers of fair trade and conventional sports balls or not. The firms’ registration year under fair trade was not included to keep the firms’ confidentiality.

**Table 1: Characteristics of focus group participants**

<b>FT Firms</b>	<b>Total Number of Expected Participants</b>	<b>Number of Workers Participated</b>	<b>Participant Gender</b>	<b>Workers Roles</b>	<b>Firms’ Geographical Location</b>
<b>Firm-1</b>	10	8	5 Males 3 Females	Stitching Units Production and Fairtrade Premium Committee Members	Sialkot City
<b>Firm-2</b>	10	8	4 Males 4 Females	Stitching Units, Production, HR Assistant, and Fairtrade Premium Committee Members	Sialkot City
<b>Firm-3</b>	10	7	6 Males 1 Female	Stitching Units Production and Fairtrade Premium Committee Members	Outskirts of Sialkot
<b>Firm-4</b>	10	0	N/A	N/A	Sialkot City
<b>Firm-5</b>	10	7	5 Males 2 Females	Stitching Units Production and Fairtrade Premium Committee Members	Sialkot City
<b>Firm-6</b>	10	8	8 Males	Stitching Units Production and Fairtrade Premium Committee Members	Outskirts of Sialkot

Moreover, 18 participants from all six organisations were selected for the interview session. This research's audience chosen for in-depth interviews was comprised of executive staff. Due to the executives' lack of time and busy schedules, three individuals from different departments have been selected for the semi-structured interviews.

**Table 2: Characteristics of experts participated in interviews**

<b>FT Firms</b>	<b>Total Number of Expected Participants</b>	<b>Number of Experts Participated</b>	<b>Participant Gender</b>	<b>Experts Designation</b>	<b>Firms' Geographical Location</b>	<b>Annual Sales Data Provided</b>
<b>Firm-1</b>	3	3	Males	Board of Directors and Senior Manager	Sialkot City	Yes
<b>Firm-2</b>	3	3	Males	Head of Production Department and Senior Managers (Logistics and Marketing)	Sialkot City	Yes
<b>Firm-3</b>	3	3	Males	CEO and Managers	Outskirts of Sialkot	Yes
<b>Firm-4</b>	3	1	Males	Operations Head	Sialkot City	Yes
<b>Firm-5</b>	3	2	Males	Board of Director and Senior Finance Manager	Sialkot City	Yes
<b>Firm-6</b>	3	3	Males	Director and Managers	Outskirts of Sialkot	No

#### **4.7 Data Collection Method**

Data collection methods and processes were selected looking after their consistency with the other components of the research methodology. In the thesis, the primary and secondary data were collected in this study.

##### **4.7.1 Primary Data Collection**

Primary data collection refers to collecting data from participants from the sports ball industry firms in Sialkot, Pakistan. To manage the preliminary data from the participants, the researcher contacted them through emails and informed them about the permission of their sports ball organisation to carry out the research. Through mutual consensus, the time and location of the interview were arranged with the participants (Saunders *et al.*, 2015; Bryman & Bell, 2015;

Kumar, 2008). The participants were assured that the data would only be used for the research. They were also informed that they would not encounter anything that might cause embarrassment for them at any point in time. Furthermore, participants were also told that they were given a choice to avoid any question they did not want to answer. Similarly, the research process also included the right to withdraw from proceedings at any stage without any obligation. The research process elaborated that participants should acknowledge no objection to audio recording the interviews (Bryman & Bell, 2015).

In this regard, the common questions were sent to the participants to help them prepare themselves. Every interview lasted for around 60 minutes. Besides, the interview questions were designed to seek answers to the main research question and accomplish the research aim and objectives (Bryman & Bell, 2015).

On the other side, focus group discussions with the participants were initiated using the group of participants from the single organisation together at the mutually decided location, i.e., boardrooms of their firms. Participants were introduced to the research topic and were asked to share their concerns and discussions about the factors and ways to measure organisational performance and the relationship between the fair-trade policies and organisational performance simultaneously (Saunders *et al.*, 2015). Each of the focus group discussions lasted for around 60 minutes, respectively. Data collection was completed within 3 to 4 weeks, including document analysis, interviews, and focus group discussions (Saunders *et al.*, 2015).

#### **4.7.2 Research Instruments**

Likewise, the research instrument used for the interview was comprised of three main sections. The first section interviews participants about their demographic details such as name, contact information, gender, name of the organisation, experience, and educational qualification. The second section included questions about the methods used to gather information about organisational performance in the selected sports ball industry organisations. The third section covers inquiries related to the factors influencing organisational performance to identify the relationship between the fair-trade policies and the versions of selected organisations.

### 4.7.3 Secondary Data Collection

Secondary data collection refers to the method of gathering the primary data from the studies of other researchers. In secondary data, the researcher must exercise great caution in in-text and final referencing (Bryman & Bell, 2015). The secondary data in this thesis was collected from the critical review of journal articles, Google scholarly books, previous theses, published formal documents of the organisations and other archive records. With the help of such data, the researcher could identify the research gap (Saunders, *et al.*, 2015; Kumar, 2008). With the gap analysis, the findings from other studies helped to investigate the similarities and differences between Sialkot’s sports industry and the broader literature.

The statistical data set of annual sales was used as a secondary data set. The yearly sales data was used to calculate sales growth as a profit indicator. The Table 3 below showed the total annual number of fair trade and conventional sports balls sales.

**Table 3: Total annual sales of fair trade balls**

Firms	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
F1-FTB	546336	481639	267060	157635	535386	637122	316682	256180	201956	170170	169120
F2-FTB	125000	213125	241900	275000	547300	341300	321500	227500	140325	103125	75000
F3-FTB	27600	47196	31665	40989	69765	116709	133831	82990	108270	140904	145000
F4-FTB									50000	55000	60000
F5-FTB									49800	52000	60000

**Table 4: Total annual sales of conventional balls (non fair trade balls)**

Firms	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
F1-NFTB	546336	481639	267060	157635	535386	637122	316682	256180	201956	170170	169120
F2-NFTB	125000	213125	241900	275000	547300	341300	321500	227500	140325	103125	75000
F3-NFTB	27600	47196	31665	40989	69765	116709	133831	82990	108270	140904	145000
F4-NFTB									50000	55000	60000
F5-NFTB									49800	52000	60000



## **4.8 Pilot Study**

Before initiating the final research, a pilot study was conducted to assess the ability of the research instrument to major in what it is intended for. The pilot study's purpose was to analyse whether the research process was convenient for the participants to respond effectively. For this purpose, the pilot study in this thesis was conducted using a set of three respondents. Under this study, online available documents of the two business organisations were assessed for document analysis. At the same time, five respondents were invited for a focus group discussion, and three were invited for the interviews. The findings of each research strategy demonstrated these instruments' effectiveness in addressing this study's key research issue. Additionally, with the help of the pilot study, the researcher could identify the loopholes or complexities involved in the research instrument that was complicating the research process for the participants. These issues were resolved in time to administer the final tools with the final dataset of the population.

## **4.9 Data Analysis Methods**

Similarly, due to the use of both qualitative and quantitative data categorised into primary and secondary data, different analysis methods were used to interpret and present the research findings. Data analysis is essential in the research process, as without appropriate data analysis, the researcher cannot reap the results (Saunders *et al.*, 2015). The applicable data analysis method depends on the type of research audience under whom such data findings will be presented. Using highly technical forms of data analysis may result in confusion and misunderstanding of the results for the low-educated and experienced audience. Likewise, an elite research audience will require a comprehensive analysis of the research findings rather than simple data summaries. Hence, the thesis research is to ensure all these steps are well integrated.

### **4.9.1 Primary Data Analysis**

Primary data analysis was conducted using a thematic analysis approach, which can assist in appropriately presenting and interpreting the data findings. Thematic analysis refers to the systematic way of analysing the interview data. Under this approach, the overall data analysis process was comprised of five main stages such as (1) raw data collection, (2) transcribing interviews, (3) reading the data, (4) generating codes and themes, and (5) interpreting the meanings of the themes (Kirk, *et al.*, 1986; Saunders, *et al.*, 2015).

In the first data analysis stage, raw data was collected from the participants in an appropriate research process (Kumar, 2008). In the second stage of transcribing interviews, the raw data collected from the interview participants is transmitted into the transcribed interviews (Saunders, *et al.*, 2015; Berkmen, *et al.*, 2012). The researcher converted the recorded data from audio format to text format. In the third stage, such transcribed interviews were used for reading the data. The step helped to understand the transcribed interviews significantly (Bryman & Bell, 2015).

Afterwards, for the generation of codes and themes, the researchers focused on identifying common themes and ideas that allow indexing the text into several categories that assisted in developing a framework of thematic ideas about it. Hence, thematic analysis differs from traditional data analysis practices, where the researcher waits for the courts to establish during the data analysis (Saunders, *et al.*, 2015). Contrarily, contemporary data analysis requires the researcher to engage with the text rather than waiting for the data to create codes and themes simultaneously (Guest, *et al.*, 2012).

In the fourth stage, different codes and themes were generated. In this context, integrated predefined categories were involved in the coding process. The coding process was presented in a non-linear format. In developing relevant teams, the researcher has exercised the abstraction principle, presuming the high-level information is centralised around the main research questions. Additionally, applicable codes were identified in the thesis process to facilitate the data analysis process (King & Horrocks, 2010). In the fifth stage, the meanings of the themes were interpreted. If the researcher cannot decrypt the senses, he restarts the process of reading the data and again generates codes and themes to be included in the research process (Bryman & Bell, 2015; Kumar, 2008).

In this regard, NVivo student version was adopted for qualitative content analysis. The software provides adequate help in drawing our qualitative codes, categories, and themes, as well as transforming these qualitative findings into graphical and tabular modes such as cluster analysis, tree maps, frequency analysis and others (Bryman & Bell, 2015). The key performance indicators collected through a documented analysis were examined through correlation and regression analysis by using SPSS. Correlation and regression analysis are the two statistical methods used to identify the relationship, strength, and dimension of such ties

in research (Saunders, *et al.*, 2015). With the help of a multitude of data analysis findings, a comprehensive presentation of the results was possible, necessary to maintain the originality and meaning of the findings while also maintaining attractiveness of these findings.

#### **4.9.2 Secondary Data Analysis**

Secondary data analysis was conducted using the sources of other researchers and critically reviewing such data sources. The data was analysed in a literature review based on different issues drawn from the research objectives, such as the definition of organisational performances and, ways and methods of measuring corporate performances (Bryman & Bell, 2015; Saunders, *et al.*, 2015). The critical analysis of the literature was necessary to help the current thesis utilise data findings for reaping desired consequences. Identifying similarities and differences between the existing research and the previous studies can assist in identifying the literature gaps and thereby filling these gaps to exhibit value addition in the new research process (Bryman & Bell, 2015; Admin Staff, 2014; Igalla, *et al.*, 2020; Carton & Hofer, 2006).

#### **4.10 Ethical principles**

Like the other academic investigations, the current thesis did comply with the range of ethical principles. Flawed moral reasoning in research can lead to high risk for the research subjects and audience (Saunders, *et al.*, 2015). In this context, the thesis research chair aims to obtain a letter from the research ethics committee of the University to ensure formal reasoning and ethical arguments (Bryman & Bell, 2015). The set of moral principles in the current thesis is listed below.

##### **4.10.1 Privacy and Confidentiality**

Firstly, the privacy and confidentiality of the research participant were given adequate importance. The involvement of managerial and operational level staff from the sports ball industry firms resulted in disclosing their personal and private details such as name, contact information, email address and others. However, such data was not shared with anyone directly or indirectly involved in the research until significantly needed. Maintaining the privacy and confidentiality of personal information was essential to developing trust. Additionally, the researcher intends to discard the data after six months of the successful thesis completion.

#### **4.10.2 Informed Consent**

Secondly, participants were asked to provide their written informed consent before initiating the research process. The consent form was necessary to ensure that the participants were aware of the risk and the overall activities of the research process before sharing their contributions. The benefit of informed consent can be viewed from its effectiveness in minimising the risk of harm to the participants and in ascertaining transparency. Through informed consent, participants were given further opportunities to enjoy their role in decision-making and discuss the proposed intervention's risks. In this regard, permission would be obtained from the authorised individuals in the selected organisations before initiating the research process with their managerial and operational staff.

#### **4.10.3 Voluntary Participation**

Thirdly, the respondents did participate in the research voluntarily without any coercion and were given the right to withdraw from the research process at any time at their discretion (Bryman & Bell, 2015). Compliance with this principle was irrelevant to ensuring that the participants were not pressured to participate in research, which may have impacted the favourable and unfavourable consequences of the study (Kumar, 2008).

#### **4.10.4 Originality**

Fourthly, originality was maintained through the appropriate interpretation of the interview transcripts and focus group discussions. Additionally, using the document analysis findings, great caution was exercised to present the data as shown by the original author of the reports (Miller, *et al.*, 2012).

#### **4.10.5 Anonymity**

Fifthly, anonymity was considered through the maintenance of secrecy. The individuals participating in the research and their business organisation were kept anonymous. Anonymity helped hide the personality traits in face-to-face interactions (Hammersley & Traianou, 2012).

#### **4.10.6 Standard Referencing**

Ethics cannot be limited to a specific field only. Instead, it is associated with the research process involved in writing the thesis. The researcher must ensure that the research process is free from plagiarism and academic malpractice (Saunders, *et al.*, 2015). Using others' work

without acknowledging it appropriately can constitute serious offences. Hence, full ownership credit was offered to the source and author of the research (Saunders, *et al.*, 2015).

#### **4.11 Reliability**

Besides the stated ethical considerations, it was essential to ensure the reliability of the research process to ascertain that the research methodology and the techniques are consistent with the research aim and objectives to allow future researchers to replicate the method (Bryman & Bell, 2015). The reliability of the research instrument and resources was ascertained through inter-rater reliability and third-party feedback. Sources used in the literature and a research instrument were presented to the supervisor to gain feedback about the data's relevance (Saunders, *et al.*, 2015).

#### **4.12 Validity**

Furthermore, the validity of the research was ensured using up-to-date research data in the process. Through this ethical measure, the researcher could measure the extent to which the study measures what it claims to assess (Bryman & Bell, 2015).

The qualitative data collected through expert interviews was cross-checked through different themes that included themes from focus group discussion, and correlation and regression analysis. This process was applied to ensure the trustworthiness and believability of the research results. However, triangulations of methods were adapted to justify question two more accurately. The reason to adapt this approach was the validity of fair trade premium projects impact on workers and statistical figures confirming sales growth ratio. In other words, the expert data was further evaluated on data collected through focus groups and document analysis, as the focus groups were only based on factory unit workers, production, and Fairtrade premium committee members.

#### **4.13 Conclusion**

Thus, it can be concluded from the overall analysis of the research methodology chosen in this thesis that the researcher cannot attain successful data collection and analysis without finding the research methodology with the research aim and objectives. It is essential to maintain compatibility among the different components of the methodological framework and layers of the research onion. With the help of interpretivism, a mixed research approach, exploratory

design, and the three research strategies such as interviews, focus group discussions and document analysis, the researcher was able to integrate both qualitative and quantitative data necessary for investigating the impacts of fair trade policies on the organisational performance of the sports ball industry in the Sialkot city of Pakistan.

After identifying the appropriate methodological framework, thesis's next chapter presents and critically analyses the research findings from the primary data collection method.

## CHAPTER FIVE: RESEARCH FINDINGS

### 5.1 Introduction

This chapter focuses on the primary finding collected through mixed methods. The qualitative data is based on the expert interview and focus group discussion. The focus group discussion was especially conducted to investigate the effect of fair trade policies on workers in regard to working condition, fair trade premium projects, socioeconomic status and welling, and spill over effect on community. The expert interviews and focus group discussions were explored through thematic analysis by using NVivo software. The chapter also included quantitative data set of sales numbers. The statistical sales trend included the two variables for instance, fair trade and conventional sports balls. The data was analysed through SPSS software to find out the correlational between two variables and regression analysis to further predict the fair trade sports product.

Thematic analysis is a technique used to create themes for in-depth interviews and focus groups. Since thematic analysis is a qualitative research technique, it entails finding themes or patterns in qualitative data (Chitakunye, 2012). Previous studies suggest that data organisation, coding, and analysis are steps in a systematic process used to find important themes or patterns (Squires, 2023). In fact, there is a consensus in the methodological literature about the general procedures for utilising thematic analysis to produce topics in in-depth interviews and focus groups (Terry, & Hayfield, 2021; Braun, Clarke & Hayfield, 2023). These procedures are as follows:

**Familiarisation with the data:** The initial stage is to understand the information gleaned from the in-depth interviews or focus groups. This entails going over the data multiple times to spot trends, similarities, and discrepancies.

**Coding:** Data is coded after familiarisation, which entails categorically identifying and labelling various data segments with a brief descriptive code.

**Categorisation:** Organising the codes into categories or themes come next after the data has been coded. Themes are emerged from the codes, which are also chosen in accordance with the research objective.

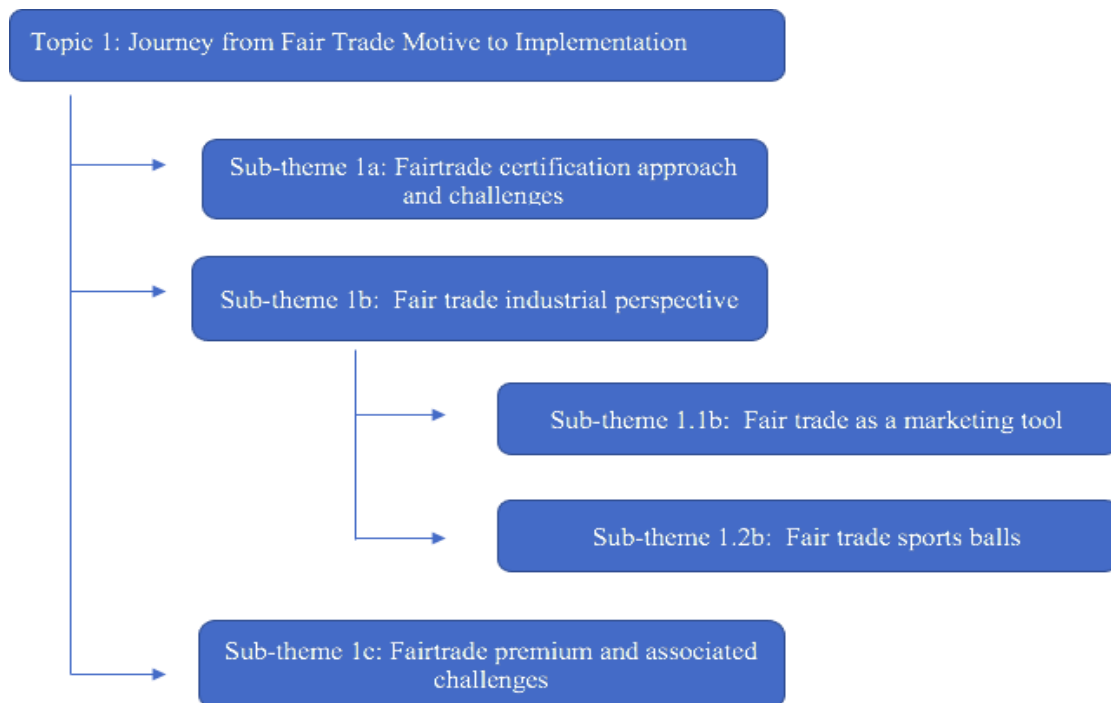




## 5.2 Topic 1: Journey from Fair Trade Motive to Implementation

A thematic analytics tree diagram is a visual representation that organizes and displays thematic categories and subcategories in a hierarchical structure. It is commonly used in qualitative research and analysis to identify and organize themes or patterns within a dataset. The diagram typically starts with a main theme at the top level and branches out into subthemes or subcategories that further elaborate on the main theme. Each subtheme can then be further divided into more specific subcategories, creating a hierarchical structure that allows for a systematic exploration of the data. The thematic analytics tree diagram helps researchers visualize the relationships between different themes and subthemes, allowing for a clearer understanding of the overarching concepts and their interconnections. It serves as a useful tool for organizing and presenting qualitative data in a logical and structured manner.

In this figure 7, the main theme is "Journey from Fair Trade motive to Implementation and it is further divided into three subthemes: Fairtrade certification approach and challenges, Fair trade industrial perspective, and Fairtrade premium and associated challenges. In sub-theme 1b, each subtheme is then expanded into specific subcategories that capture different aspects related to that theme.

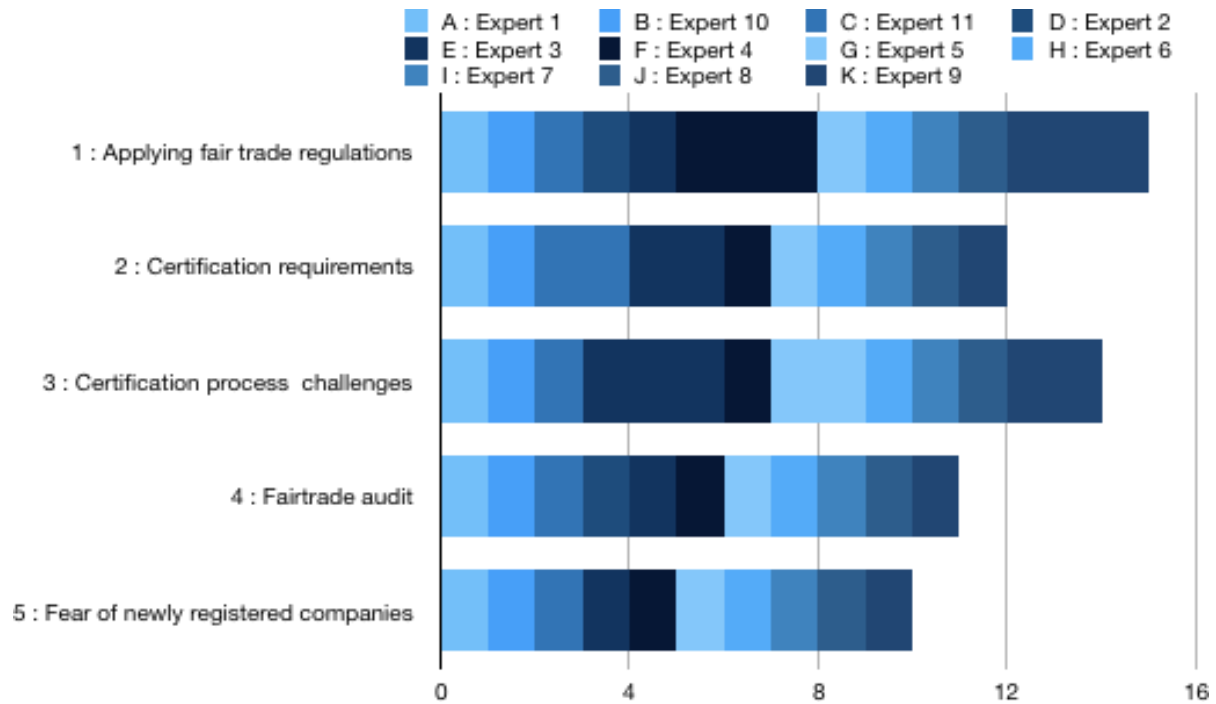


**Figure 7: Thematic analytics tree diagram of theme one**

(Source: Author)

### 5.2.1 Sub-theme 1a: Fairtrade certification approach and challenges

The figure below shows the matrix coding query graph of Fairtrade certification approach and challenges. The graph includes five nodes that explain the fair trade registration process and associated challenges to it. The graph also highlights the key requirement for Fairtrade premium committee (FPC), which has a vital role to run premium projects.



**Figure 8: Fairtrade certification approach and challenges**

#### 5.2.1.1 Certification requirements

The respondents shared the fair-trade registration requirements. Some of the respondents believed that it is a complicated process to follow. Further, starting the certification procedure is a crucial stage for any regulatory body. Mr. M added in this regard:

*They require three committees: Fairtrade premium committee and the health and safety committee. These three committees should conduct meetings after 3 to 4 months, share the progress with each other and record minutes of meeting. Plus, our annual general assembly minutes. Their requirement is quite hard, to type up all the markets make plans the premium which was used last and making a report of it. All these procedures are hard to implement. Now we are used to proper methods.*

Another expert Mr A supported Mr Y statement:

*It is a very long process; it takes about one year to register.*

Mr Z also added:

*It was a fair trade requirement that we had to open an NGO on employee name, so we registered that as per Government process. Thus, let's say, it is almost one-year process.*

These findings highlight the perceived complexity and time required for fair-trade registration. The process involves the formation of committees, extensive documentation, and potential supplementary steps, reflecting the commitment and effort needed to achieve fair-trade certification.

#### **5.2.1.2 Certification process challenges**

Registering under an international body that implements its working condition, can be challenging for a developing country producer in terms of understanding the standards and practices, government guidelines, NGO registration and other legal requirements.

Mr H explained the FLO documentation complication:

*First of all, their documentation; to read out their standard, understand and implement them was a challenging task.*

Mr F further highlighted the difficulty to process FPC:

*It is tough to open a Fairtrade premium account. It is just like an NGO. The local banks regulations consider it an NGO. It took me around six months to get permission for an account to open.*

*The bank has to take permission, they have their own process, internally they need to ask for an approval. Before that, we had Comet welfare society, it also took four months to register. The second challenge was to make a premium committee. Then open the*

*account for the committee. Later, to make it a legal body. Usually, people are not ready trustees when you ask them for their identity cards/documents. So, there were similar small challenges.*

*Mr D added about the risks once they sign an agreement with Fair Trade:*

*It is risky to sign a contract with Fairtrade when we have no surety of premium income or fair-trade orders. It means, in future, we will have to pay compliance costs to meet the fair-trade condition from our budget if there do not receive enough orders.*

Mr R shared a pleasant experience to adapt fair trade and employees reaction to it.

*It was not that challenging as we were on the way to adapt ethical working environment. As we were working with international companies, our compliance level was the same. In the beginning we had some challenges to start projects for workers. Later on, it was appreciated by the workers gaining extra wages. As a result, workers were motivated to achieve their targets.*

These findings underscore the challenges faced by developing country producers in understanding and meeting the standards and requirements of international bodies. The process of registration, documentation, and compliance can be time-consuming and may involve financial risks. However, there are also instances where fair trade practices have been successfully implemented, resulting in positive outcomes for employees and motivation within the workforce.

### **5.2.1.3 Fear of newly registered companies**

The respondents explained the potential fear and risk the producer could face after availing ethical label. The participants clearly expressed their worries about meeting the compliance cost failure to their fair trade sales.

Mr T added:

*Inside the factory, we never had any issues. However, there was a worry about fair-trade orders. Fairtrade has a fee to maintain audits, factory maintenance, standard implementation. When we get fair trade business, 5% we spend on compliance cost that covers some part of the total fee. If there is no business, then we have to pay this on our own. So, the biggest challenge was to have a fair trade business. Otherwise, to pay annual fee from our pockets. For first two years we paid the fee from our own but from third year we started getting a business. We still consider ourselves lucky that we were able to get a buyer as there is limited number of fair-trade clients in international market.*

Also, Mr D added:

*Main challenge was to get a business. it was hard to capture business and get the premium. once we get the business then it is easier to maintain the project and start new projects.*

These findings highlight the importance of fair trade sales for producers, as they are crucial for covering compliance costs and maintaining the sustainability of fair trade projects. The fear of financial burden and the uncertainty of securing fair trade business demonstrate the risks and concerns faced by producers in the fair trade industry.

#### **5.2.1.4 Applying fair trade regulations**

The respondents explained whether applying new regulations was an easy or complicated process. It can be challenging to provide training, understanding the standards if no support is provided and improving working condition in a limited timeframe

Mr A added:

*Honestly speaking, fair trade policies were not challenging at all. You must have seen that our company environment is different than other organisation for example in stitching units. We keep a check on the temperature level, noise level even we are working on balance lighting. If you see outside, we have food cafes where workers can sit nicely and enjoy their lunch. We have one-hour rest time for workers and there are*

*special rooms for them where they can rest or sleep for an hour. We have sports ground for their physical activities. So basically, all those facilities reflect a mindset of the company. so, it was very easy to meet fair trade requirements, as fair trade is all about workers' rights and comfort.*

Mr S shared about the expenses while applying the regulation:

*Though, a company has to spend for fair trade on their own for example for arranging meetings, some other resources that you have to provide, if someone external want to come in FPC (Fairtrade premium committee) then arrangement needs to be done, for capacity building we need to send workers on training or conduct a training and annual assembly. For all these there is a cost. For system maintenance there is another cost. Apart from that, for FLO cert there is another annual cost such between €3000 to €3500 annually. Customer who pays 5% compliance cost. Some customers do not pay compliance cost.*

Mr A added the training difficulty:

*First challenge was capacity building in regard to workers training. When we started, we did not even know if someone is available from fair trade FLO to make us understand the standards to implement, as we were untrained so there was no one to train us. Therefore, we had to pass this process on our own, we trained our own people. Basically, fair-trade still have that structure. FLO cert had two division, one was FLO cert and second was either FLO-EV. So, FLO-EV job was to train companies and FLO-cert responsibility was to approve the satisfactory standards. this was not the same scenario here. Possibly, there was no FLO member here to facilitate us. At that time there was only one company registered in Sialkot. We never had good relationship with that company so we could not get any help from them.*

These findings underscore the importance of support and resources in facilitating the implementation of new regulations. While some companies may have an existing infrastructure that aligns with fair trade principles, others face challenges in terms of training, expenses, and lack of local support. Overall, the experiences shared by the respondents highlight the need for

accessible guidance and resources to ensure successful implementation of fair trade regulations.

#### **5.2.1.5 Fairtrade audit**

The audit for any organisation is a crucial process, especially if it is an external audit. The respondents shared their first audit experience. It shows that fair trade provides support in the first audit and appreciate the producer's efforts to introduce ethical practices.

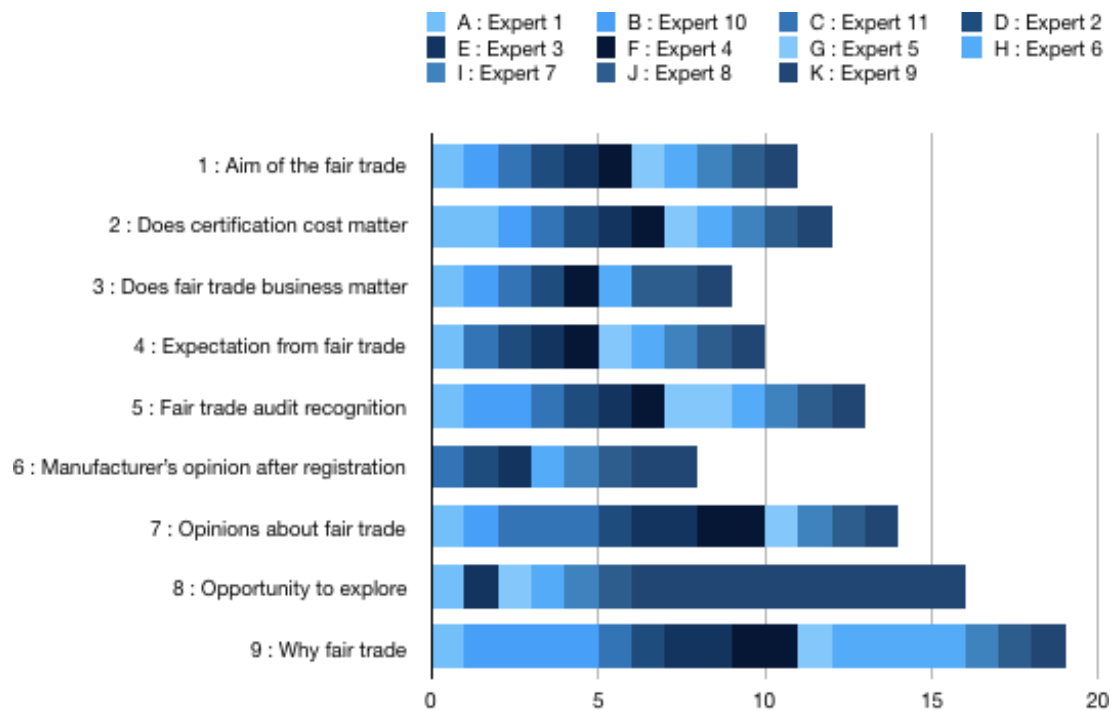
Mr S added audit details:

*I think the surveillance audit is every year and the renewal audit are after every 3 years. Regarding the audit, they usually support you in first audit and appreciate that you joint the fair trade circle. Second audit was bit tough, we had to face a lot. There were so many objections because we did not have much idea of it, we thought it is just a compliance. Basically, they involve so many things. They involve fair trade committee that how many meetings were arranged and what were the issues discussed or projects started. Everything should be legally processed. Later we had re-audit and we passed that. so now we are in the fair trade system.*

These findings highlight the importance of audits in ensuring compliance with fair trade standards and maintaining certification. The initial audit is seen as a supportive process that recognizes and appreciates the efforts of producers to introduce ethical practices. However, subsequent audits may present challenges as organizations navigate the complexities of meeting the comprehensive requirements set by fair trade.

#### **5.2.2 Sub-theme 1b: Fair trade industrial perspective**

The figure below shows the graphical representation of fair trade industrial perspective. The graph contains nine nodes that elaborate on key factors associated with Sialkot sports industry. The nodes also elaborate on significant industrial opinions about fair trade, registration cost and annual audit.



**Figure 9: Fair trade industrial perspective**

### 5.2.2.1 Why fair trade?

It is essential to highlight the initiative of Sialkot producers to consider fair trade label. It is an uncommon practice in South Asian region to create an extra effort and working on a concept that mainly supports workers and community.

Mr P illustrated the reason to join Fairtrade.

*There were two reasons first, to change worker lifestyle and improve livelihood. Through this scheme, it could be easily managed. Second reason was a business opportunity. The company had a thought to enhance business progression.*

Mr Y added:

*Some of our clients demand a certification where the annual audit is conducted. Such audits build trust. Plus, we had a meeting with another company who are fair trade certified. We were impressed by their welfare projects running under fair trade dealing. That was another reason to adopt fair appropriate policies.*



Mr T adds:

*We were encouraged by one of customer called Puma. They asked us to think about fair trade as they were planning to bring fair trade balls in the market. We were already doing business with Puma for non-Fairtrade balls. We were strategic partners with Puma. Currently we are strategic partner with many other brands. In this partnership, we joint fair-trade certification. Unfortunately, puma couldn't continue fair-trade business with us. As I said every brand have their own social welfare system and that could be a reason for it. We still carried the certification from 2010. That means, we were certified in 2009, we had a business with Puma. There was no big breakthrough in business throughout the Puma fair trade business. We still continued with fair trade certification. Our management felt about fair trade that it will bring an additional support for workers. It will bring premium and through that premium extra cost we will start better welfare projects for our workers*

Mr N describes:

*Some of our clients' demand certification where they do annual audits These audits build trust, and we had a meeting with another company that was fair trade certified. We were impressed by their welfare projects running under fair-trade. That was another reason to adopt fair trade policies.*

These findings reflect the Sialkot producers' recognition of the potential benefits of fair trade, both in terms of improving worker conditions and livelihoods, as well as meeting the demands of certain clients who prioritize ethical certifications. The influence of strategic partnerships, witnessing successful fair trade projects, and the desire to build trust and credibility through certification all played a role in the producers' decision to embrace fair trade practices.

#### **5.2.2.1 Aim of the fair trade**

The respondents shared their understanding of fair trade. It is essential for management to understand the actual purpose of ethical labels. Mr T added:

*Fairtrade is a source for our workers and community that you can bring some change in their life or positive impact that is the most beautiful part of fair trade.*

Mr E added:

*Any businessman when it comes to the business world would consider the market demands. For example, we are not just fair trade certified, we are FIFA quality certified, BCI certified. Any certification that would help your business, we would go for that. In short, fair trade certification is a need for majority of the business to create a trust*

These findings reflect a recognition of the value and significance of fair trade beyond its ethical dimensions. Fair trade is viewed as a means to positively impact workers and the community while also meeting market demands and enhancing business reputation. The understanding of fair trade goes beyond its label and emphasizes the need to create trust and build a responsible and sustainable business.

### **5.2.2.3 Opinion about fair trade**

The participant from various companies' management shared their thoughts about fair trade. It is interesting to know the different opinions of the respondent that encouraged the producers to think about the ethical label. Mr S added:

*It is an initiative which I personally like, the basic theme of fair trade is regarding the socio-economic development of workers and the community.*

*We take fair trade certification as an investment. We have invested on our building and with that on ethical certification that is our business investment. In return, we are getting good orders. If you want to do a low-quality job, then there over 100 producers doing this in this town. We cannot compete with them. Their practices are so unethical, you never know their stitching unit working conditions, raw materials.*

Mr F added about FLO Cert Germany-based independent certifier for Fairtrade:

*Fair-trade is a Germany-based organisation. It works for workers' welfare. I like their concept that they pay 15% premium on each product. That they want to spend on people's welfare. They are more popular in tea, coffee, banana and coco products.*

Mr E added:

*Actually, it is working conditions that is labelled as fair trade. Working conditions means, we have all the ILO conventions which part of CSR as principles of all the CSR standards in the world and we are agreed to the specific condition related to the production of the sports balls in Sialkot. We have very simple principle if there is a fair trade then three things should happen such as fair price, fair wage and a premium for the workers and community. We set a criterion that our set premium cannot be used for religious purpose. so, we cannot give donations to religious organisations, religious institutions, or any building or build a building for a religious purpose.*

These findings showcase diverse perspectives on fair trade, with an appreciation for its focus on workers' welfare and socio-economic development. The participants recognize the value of fair trade certification as an investment and a way to differentiate themselves from unethical practices. The understanding of fair trade goes beyond the label and emphasizes the importance of fair prices, fair wages, and responsible allocation of premiums.

#### **5.2.2.4 Expectation from fair trade**

The respondents shared the actual experience after registering with fair trade. As previously some respondent mentioned that the label was a competitive advantage for their business.

However, the expectations show the increase in the market share. Mr M added:

*Before we were expecting that we will have enough volume of fair trade balls. Our sales will show a boost and we will improve in terms of sales. However, it never happened. Now even if there is an increase in sales then we can work for workers welfare. As we receive the fair trade premium, that money can be spent on their welfare. However, we are expecting higher premium this year. We are hoping to start transport service again. Apart from transport system, we will focus on education, medical camp and water projects, not just for workers but also for people.*

Mr D added:

*The volume of fair-trade balls should be increased. If the sales are improved, the company will take more interest in fair trade and system will develop properly.*

These findings reflect the expectations and realities faced by the participants after registering with fair trade. While the anticipated increase in sales and market share did not occur as expected, the focus has shifted towards utilizing the fair trade premium for the welfare of workers and community development. The participants express hope for future growth and emphasize the need for increased volume to further support and develop the fair trade system.

#### **5.2.2.5 Does fair trade business matter?**

It is a valid point to discuss whether the fair-trade business matters. It means the cash flow of the premium money as a premium helps factory to keep running their welfare projects. It is a common experience many respondents have already discussed that the first few years of registration were hard years to secure enough orders. Mr T added:

*When we started fair trade business. For the first two years we never had any fair trade orders. Still, we continued with Fairtrade even we were not getting fair trade business but at least we were getting non fair trade balls business. Another satisfaction was that we follow the core ethical and social principles in our business practice. So, we were focusing on that along keeping fair trade as marketing logo. Though we were paying €10,000 for fair trade licence fee with idea of keeping fair trade logo. We never had any business for first 2 or 3 three years. Maybe a very small quantity orders such 200 or 300 balls. However, there was no regular business. Currently we have a good fair trade business.*

Mr A shared the drawback of low premium:

*Before we had a free pick and drop device for workers. Unfortunately. We could not continue due to insufficient fair-trade premium.*

Mr Y added challenges of insufficient premium income:

*When there is not enough sale, we have to meet the compliance cost from our pocket. Before we, had a free pick and dropped device for workers. Unfortunately. We could not continue due to insufficient fair-trade premium.*

These findings highlight the financial implications of fair trade business. Insufficient fair-trade orders and low premium income can pose challenges in maintaining and expanding welfare projects. The participants express the impact of these challenges, such as the discontinuation of certain services due to limited funds. However, they also demonstrate resilience and commitment to fair trade principles, striving for growth and improved premium income to support their welfare initiatives.

#### **5.2.2.6 Fairtrade audit recognition**

Sialkot sports producers face several challenges. The respondents brought attention to fair trade audit recognition by other well-known associations. Mr S shared the experience of FIFA, which does not recognise fair trade audits. Instead, the producers had to conduct an audit by BSCI.

*We recently got the license for FIFA. They did not allow us to label the fair trade logo on FIFA balls or no commercial logo. FIFA also believes their moral and social standards are much higher that they do not need third party label. To get the FIFA licence we have to arrange a BSCI audit annually. FIFA has their own monitoring system. Then we get some local bodies membership and also, they recommend getting registered WAFIC. There is a cost, but they keep their checks on us. They also do not accept fair trade audit. They recommend another association audit. As fair-trade is not a member of the association bodies.*

Mr E added:

*It is a brand own way fair trade international and FLO CERT. They are not still successful in setting a benchmark that fair trade standards are equivalent to certain standards, or it can be acceptable as alternate standard to the CSR standards accepted*

*worldwide BACA, like RACK. I have been handling all these audits. we were getting one social audit per month on average. We are RACK/RAP certified, BACA certified, and we see the checklist for the BSCA of 3 to 4 pages and checklist for RAP of 12 pages, checklist for ISO 8000 7 to 8 pages but checklist for fair trade is 116 pages. Yet, fair trade international and FLO cert are not successful in establishing their brands. Standards empower with international social standards. An effort from the fair trade international and FLO cert level needs to be done with the international certification bodies, with international standard setting agencies that have to proof their credentials. They have to get acceptance of the fair-trade standard certification.*

These findings illustrate the challenges in gaining recognition and acceptance of fair trade audits and standards within the industry. The participants express their frustrations with the lack of alignment between fair trade standards and other widely recognized certifications. They emphasize the need for fair trade international and FLO CERT to collaborate with international bodies and agencies to establish the credibility and acceptance of fair trade standards in the industry.

#### **5.2.2.7 Does certification cost matter?**

The respondents emphasised on the certification cost. It is hard to meet the certificate cost without enough premium. The producer receives 15% premium on each product. Whereas five percent from that fifteen percent premium is spent on compliance cost.

Mr E added:

*Fair trade certification cost, sometimes it matters for producers. We have experienced that some companies received fair trade certification. Yet, they could not get enough fair-trade orders or very minimum, they ran out from the fair-trade system as they could not bear the fair-trade renewal cost. In that regard, they need to rationalise, or they should introduce a scheme where it is easier for producers to pay the certification cost.*

Mr T added:

*The cost can be hard to afford if manufacturers do not receive enough compliance cost that comes along with premium income.*

The participants emphasize the financial challenges associated with fair trade certification, particularly the certification cost. They highlight the importance of finding ways to make the certification more affordable and sustainable for producers, especially when they do not receive enough compliance cost from the premium income.

#### **5.2.2.8 Opportunity to explore**

Many respondents believed that fair trade is an opportunity that should be explored. It clearly brings some advantages to the business and worker community. Mr D added

*There is no harm to explore the market as ethically certified business. The company's reputation was also an element behind the fair-trade idea.*

Mr E focussed on the market opportunity and being pioneer while exploring the market in many ways:

*Yes, they are right as they only focus on sports ball industry. I am a diversifying person, so we are diversified already. we are the only producer who are producing footwear with fair trade organic. If you google fair trade organic cotton shoes. There will be only one name, and this is our company. That is a marketing strategy. One has to try things where other people are not ready as yet. where there is not much competition in the market. It is important to explore certain market.*

*Next, we are planning to open our office in Germany. The key idea would be to prominently introduce our fair trade products. Even that trading office will be fair trade certified. The idea would be to the sell fair trade balls in germen market on our own. The reason behind this is, it is hard to get fair trade buyer. I personally believe there is a big potential for fair trade balls in market. If more focus is brought in the market, fair trade ball can easily capture the market.*

The participants express a positive outlook on fair trade as an opportunity for business growth and market expansion. They highlight the importance of exploring new markets, diversifying product offerings, and leveraging fair trade certification as a marketing advantage.

### 5.2.2.9 Manufacturer's opinion after registration

The respondent shared their opinion after registration. Some of them appreciated fair trade standards brought a welcoming change in their factories. However, some respondents showed disappointment in sales growth.

Mr F added:

*I feel fair trade regulations are not changed; the policies are the same. However, a thought that have come to the industry is beyond fair trade regulations. For example, we are bringing a project called vision zero. Vision zero is such a big project once we implement it fully, it will be different working environment. Vision zero project is a zero accident at workplace. The present environment is also safe. However, to make it safer we are bringing vision zero. The aim and a thought behind vision project is every worker gets back home safe and healthy, not to take any injuries or a disease from the workplace. So, to secure work environment safer.*

Mr U added:

*I am very hopeful for the business to grow with fair trade same as other companies are achieving their targets and running welfare projects. I attend fair trade meetings, last time we were in Thailand, many people were there from Indian and Vietnam. They were also apricating our industry and skills. I am personally very hopeful for my company to grow under fair trade.*

Mr I added:

*We take fair trade certification as an investment. We have invested on our building and with that on ethical certification that is our business investment. In return, we are getting good order*

Mr E added:

*We used to have workers union before. However, it was not very organised. With Fairtrade, workers committees were formed to make their decisions and implement*

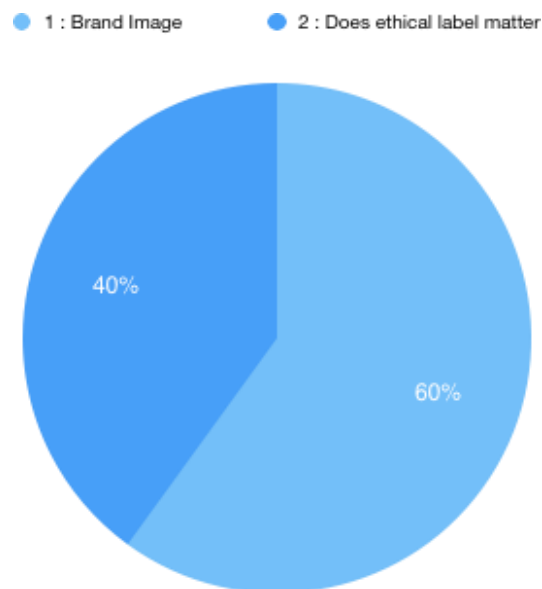


welfare projects. The main advantage of fair-trade was, everything transformed in a standardised way.

Overall, while there may be some disappointment regarding sales growth, the respondents express a sense of hope and optimism for the future, appreciating the positive changes and opportunities that fair trade has brought to their businesses and worker communities.

### 5.2.3 Sub-theme 1.1b: Fair trade as a marketing tool

The pie chart below shows the industrial intention to use fair trade as a marketing tool. This sub-theme also focuses on the importance of ethical label in marketing and building a brand image.



**Figure 10: Fair trade as a marketing tool**

#### 5.2.3.1 Brand image

The respondents explained one of the important reasons that push sports producers to register under fair trade. Also, they highlighted the importance of the ethical logo that helps to create a better image of their practices. Mr M explained the reason behinds their factory to get fair trade registration. The primary purpose is workers welfare. However, it also helps as a marketing tool.

*There is another reason to register under fair trade. Fairtrade is also a marketing tool. When we participate in international exhibition, this label supports us in presenting our firm as a responsible company. That means, we follow social and ethical values. It has an effect as buyers come for fair trade. When they realise that for fair trade products there is extra charge of 15% premium. They consider their budget and if it is not affordable then the client at least places their order for our traditional balls. This gives us an advantage that buyers get a perception of producing quality balls and follow social and ethical standards. That is where we get a marketing edge. We do not get enough fair-trade business, but we are getting more non fair-trade business because of the fair-trade logo. in short, the label helps us to get more orders.*

In contrast to Mr M opinion, Mr W company had a different experience. It is important to note that Mr W company was the pioneer in running a fair trade registered factory in the South Asia. It can be assumed that it provided them the advantage of building a strong relationship with big brands. That is still helping the company to sustain a significant amount of sports goods export. Mr W added:

*Actually, our main business is with big brands. We do not see a significant impact on our regular product sales in relation to fair trade logo. As our main business is to export regular balls. Therefore, I do not think that fair trade brings some impact for such sales growth. However, when we go to exhibition in Munich. Sometimes, customer does not acknowledge the fair-trade label. They appreciate it internally and create a positive image of the brand. I can say, it also brings more business if we take it this way.*

Overall, these findings illustrate that the fair trade label serves as both a symbol of responsible practices and a marketing tool for sports producers. It can attract buyers who value social and ethical standards, contribute to a positive brand image, and potentially open doors to new business opportunities.

### **5.2.3.2 Does ethical label matter?**

The respondents explain, fair trade can be helpful to create a brand image. It clearly helps producers to attract more customers. The international clients seem keener to do business

with fair trade registered companies even if they place an order for conventional balls than fair trade balls. Still, European clients appreciate the ethical practices: Mr M elaborated:

*That is where we get a competitive edge. At least the buyer comes to us to gather some information. It does not matter if the client would make an order or not but at least the label gets the clients attention. In addition to that such clients also realise that our sports products have high quality balls. In some cases, the client contacts us back.*

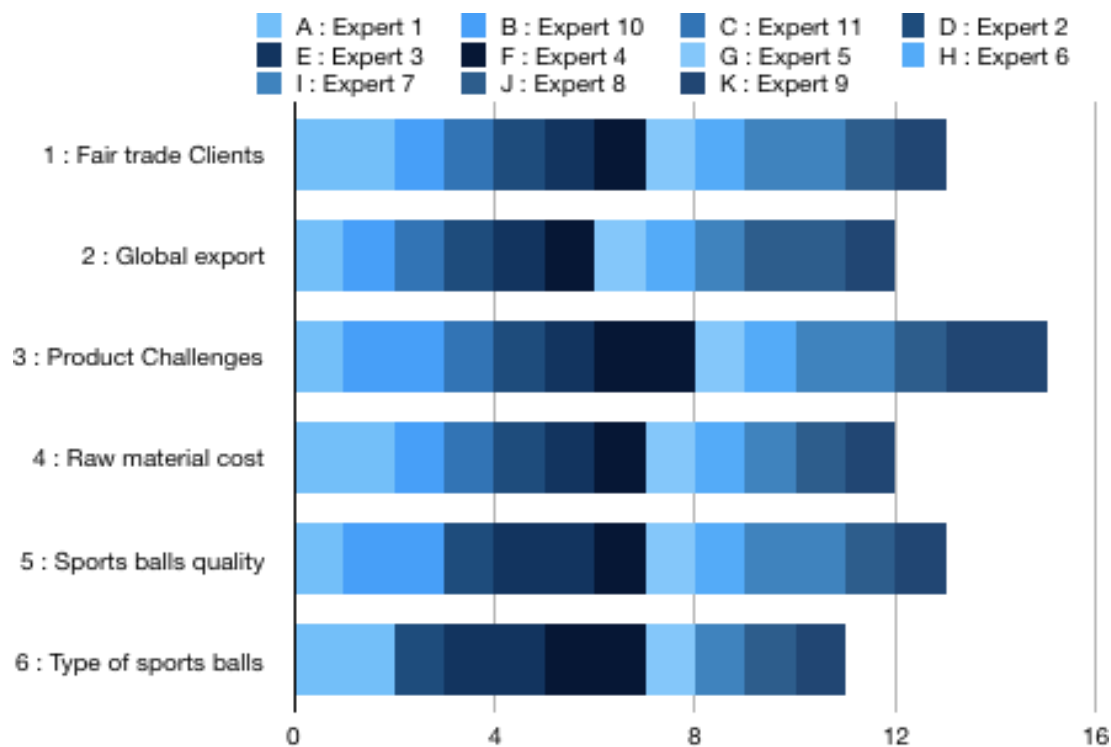
Mr T shared his company experience with how fair trade brought a change in company working ethics:

*Firstly, of all fair trade has given a business to vision technology. After that, a platform was given for non-fair-trade buyers, who know that vision technology working environment or policies towards workers under fair trade are satisfactory. Many non-fair-trade businesses came to us because of fair trade for example they have a requirement that a factory should have social audit. As we are fair trade certified which it itself a big social audit which is satisfactory approach for many buyers. Thus, they don't do social audit, instead make orders. Second, with the help of fair trade we have created good brand image in the community.*

These findings demonstrate that fair trade plays a crucial role in shaping the brand image of sports producers. The fair trade label not only captures the attention of clients but also reinforces the perception of high quality and ethical practices. It serves as a competitive advantage, encourages trust and confidence from customers, and can lead to long-term business relationships.

#### **5.2.4 Sub-theme 1.2b: Fair trade sports balls**

The graph below elaborates on the fair trade sports balls. The theme nodes illustrate on the sports products export, quality, cost and raw material.



**Figure 11: Fair trade sports balls**

#### 5.2.4.1 Types of sports balls

The respondents explained the category of sports balls and capacity to produce the different types of balls such as machine-made and hand stitched. Mr F added.

*When we started sports ball production, we just had three categories which are very usual in Sialkot and everyone has told you that we have very professional approach, we have training balls and then we have promotional balls*

These findings highlight the different categories of sports balls and the production capacity of the respondents. The respondents mention that initially, they had three categories of sports balls: professional balls, training balls, and promotional balls. These categories are commonly found in Sialkot, indicating the professional approach and expertise in sports ball production in the region. The three categories mentioned cater to different purposes and target different markets. Professional balls are likely designed for high-level competition and meet specific standards and requirements. Training balls are likely used for practice and skill development. Promotional balls may be used for promotional purposes, such as giveaways or marketing

campaigns. By mentioning these categories, the respondents provide insight into the range of sports balls they can produce and the diversity of their product offerings.

#### **5.2.4.2 Sports balls Quality**

Sialkot industry is well known for quality products. The respondents explained how they make high-standard balls. Mr T added:

*We have strict quality control measures. Every product has to pass the quality check. We are cautious of the quality as it can affect our company image in the international market.*

Mr F added skills that helps the industry to keep city quality balls prestige in the world:

*First soccer ball was repaired in Pakistan. All capacity building, foreigner expert does vocational training. Gradually, our workers have developed the hand stitching skills applied so efficiently, making our products unique.*

Overall, the findings demonstrate the commitment to quality and the skilled craftsmanship that underpins the production of high-standard balls in the Sialkot industry.

#### **5.2.4.3 Raw material cost**

The raw material used in producing sports balls is one of key factors to calculate the price. The respondents explain the price difference between fair trade products and conventional balls. Mr M added:

*There is no difference. The raw material and production cost are the same, the only difference is to apply the fair-trade logo on their product. Usually, they demand the material, sometimes as for 2mm material or 4 mm. it depends on their need.*

Mr T added:

*The cost is the same for both types of balls. Fair trade product brings 15% premium. However, rest everything is same such as fair-trade product material is not special, it is the same material used for conventional balls.*

Overall, these findings suggest that the primary factor contributing to the price difference between fair trade and conventional balls is the inclusion of the fair-trade logo and the associated premium, rather than variations in the raw material or production costs.

#### **5.2.4.4 Global export**

The respondents added the country names where they export sports balls. Mr F mentioned:

*We export to USA, Canada, Holland, UK, Austria for fair-trade balls. For non-fair-trade balls, we export mainly to EU countries.*

Mr T added:

*Europe countries and South America, Chile, Argentina, and Brazil*

Overall, these findings indicate that the respondents have established export channels to various countries, including both fair trade and non-fair trade balls. This diversification allows them to cater to different markets and reach a wider range of customers globally.

#### **5.2.4.5 Product challenges**

The respondents highlighted some technological issues that affect their project sustainability.

Mr F added:

*Actually, manufacturer has changed significantly for example hand stitched footballs are out of fashion. Currently, a small quantity is stitched by hands. However, in past almost 100% of footballs from Pakistan were hand stitched. it was rising trend at that time. Everything was being planned according to this increasing trend. In later years, with introduction of technology it changed*

Mr E explained the market completion and premium balls drawback:

*The competition has grown dramatically and there are many countries producing sports balls such as China, India, Taiwan etc. When clients buy fair trade then they pay a premium. When it comes to the premium in international market then, the product price goes equal to big brands.*

Mr W added

*The biggest challenge or a wish is to increase the far trade sales.*

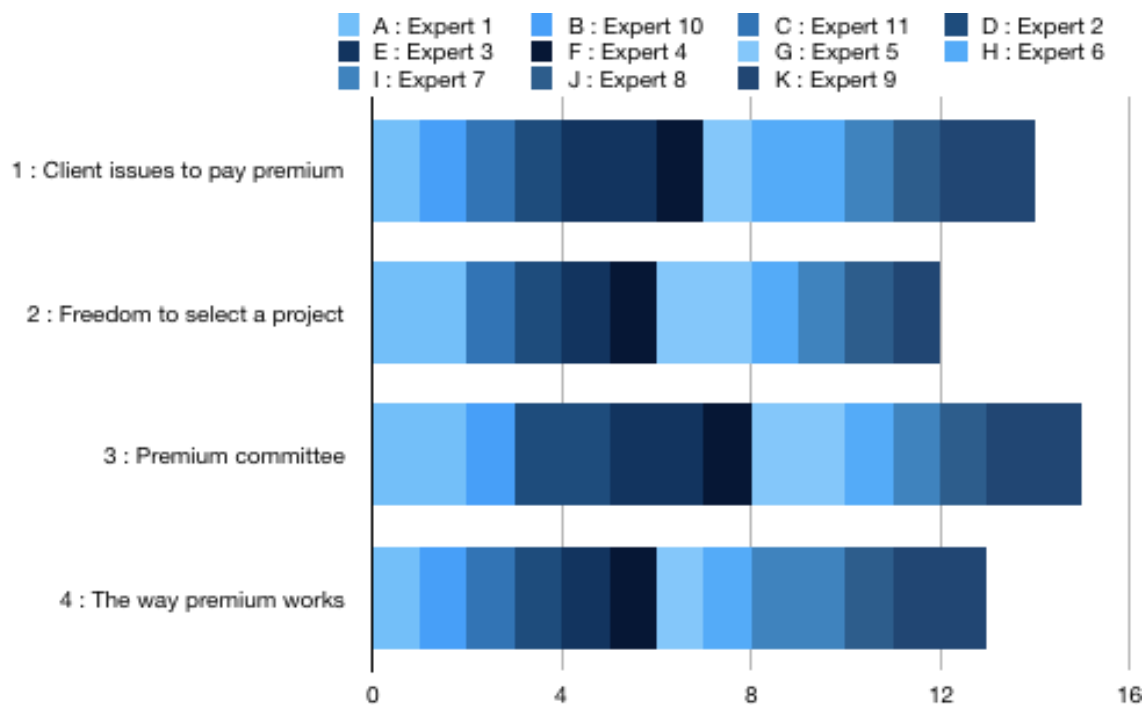
These findings highlight the technological challenges and market dynamics that impact the sustainability of the respondents' projects. Mr F notes a significant change in the manufacturing process of sports balls, with hand-stitched footballs becoming less popular. In the past, nearly 100% of footballs from Pakistan were hand-stitched, but with the introduction of technology, the trend shifted. This indicates that technological advancements have influenced the production methods and preferences in the industry. On the other hand, Mr E mentions the growing competition in the market, with many countries, including China, India, and Taiwan, producing sports balls. This increased competition puts pressure on pricing, and when clients choose fair trade products, they often must pay a premium. However, this can make it challenging for fair trade products to compete with big brands that offer similar products at lower prices. Mr W expresses the desire to increase fair trade sales, indicating that expanding the market for fair trade sports balls is a significant challenge. This suggests that there is a need for strategies to overcome competition, raise awareness about fair trade benefits, and attract more customers to choose fair trade products.

Overall, these findings highlight the evolving technological landscape, competitive market conditions, and the aspiration to enhance fair trade sales as key factors affecting the sustainability of the respondents' projects in the sports ball industry.

### **5.2.5 Sub-theme 1c: Fairtrade premium and associated challenges**

The figure below shows the matrix coding query graph of Fairtrade premium and associated challenges. The graph includes four nodes that explains the process of welfare projects approval through Fairtrade premium committee. The premium projects have a substantial

contribution towards workers livelihood. Also, it is one of the key indicators to measure the effect of fair trade on factory workers.



**Figure 12: Fairtrade premium and associated challenges**

### 5.2.5.1 The way premium works

The respondents explain the premium income. The premium is based on 15 percent extra charges. To meet the compliance cost, the producers are allowed to utilise five percent. That includes the registration renewal and annual audit.

Mr F explains the premium as project for worker’s project:

*In terms of profit, we receive a 15% extra premium for our workers welfare. Apart from that the prices remain the same for a ball. The 15% premium splits into two parts for example 5% as compliance cost and 10% for workers welfare projects.*

Mr D adds:



*See in that 15%, we use 5% as a compliance cost. The remaining 10% go to workers. For a 10% premium, we have a worker welfare society, only they decide the projects and make decision to utilise the funds efficiently.*

Overall, these findings highlight the transparent allocation of the premium income within fair trade practices. A portion of the premium is utilized for compliance costs, ensuring that the fair trade standards and regulations are met. Most of the premium is dedicated to workers' welfare, with decisions on how to utilize these funds made by a worker welfare society. This emphasizes the focus on improving the well-being and livelihoods of the workers through fair trade initiatives.

#### **5.2.5.2 Premium Committee**

The respondents explain the requirement to receive premium money and the strict guidelines to invest, to be only received by the workers committee. Further they elaborated on the committee structure as well.

Mr F added:

*They require three committees: the workers committee, the fair-trade premium committee and the health and safety committee. All these three committees should conduct meetings after 3 to 4 months, share the progress with each other and record the minutes of discussion.*

*Afterward, when all the fair-trade organisations merged into fair trade FLO CERT then they introduced their own guideline and audit system. Currently we work under their guidelines, as per their policies we have fair trade committee, they have members. Before in that committee management used to have 50% share and 50% share was of workers. For past 3 years the fair-trade have revised the policy and reduced the number of management member in fair-trade committee ss if there are six members in a committee then four members will be from worker group and two from management.*

These findings highlight the importance of committees in fair trade practices and the revised guidelines introduced by fair trade FLO CERT. The involvement of workers in decision-making processes through the workers committee ensures their representation and empowers

them to have a say in the utilization of the premium money. The revised policy reflects a shift towards greater worker representation in the fair trade committee, aiming to ensure a fair balance between management and workers in decision-making processes.

#### **5.2.5.3 Freedom to select a project**

The respondents share their experience about workers freedom to select a project.

Mr F added:

*The worker' fair trade committee use the funds for their collective benefits. They have the right to decide. Whatever, workers spend the premium on their collective beneficial projects.*

Mr T added:

*The premium money directly transfers to workers fair trade committee account. So, for that worker decides what project to start and where the premium amount shall be spent. We support them, but they start a project of their own choice.*

These findings emphasize the participatory nature of fair trade practices, where workers are actively involved in shaping the use of premium funds. By granting workers the freedom to select projects, fair trade promotes autonomy, collective decision-making, and the ability to address the specific needs and aspirations of the workers themselves.

#### **5.2.5.4 Client issues to pay premium**

Respondents indicate a common issue. The participant highlighted premium as an obstacle for the international buyers to purchase fair trade products. As they noticed, the buyers are hesitant to pay the extra cost.

Mr M adds:

*Fair trade buyers do not exist on a large scale. There is a limited client range, and even they have sometime prices constraint. Similarly, our current client had an issue about*

*the pricing. we also discussed that. Though in Scandinavian countries, there is more awareness about fair trade. People are happy to pay higher price to buy fair trade products but still clients have their worries. Consequently, understanding the overall situation we do not expect many fair-trade buyers. Still, fair trade logo brings a good image to the world. Somehow it is beneficial to keep the label.*

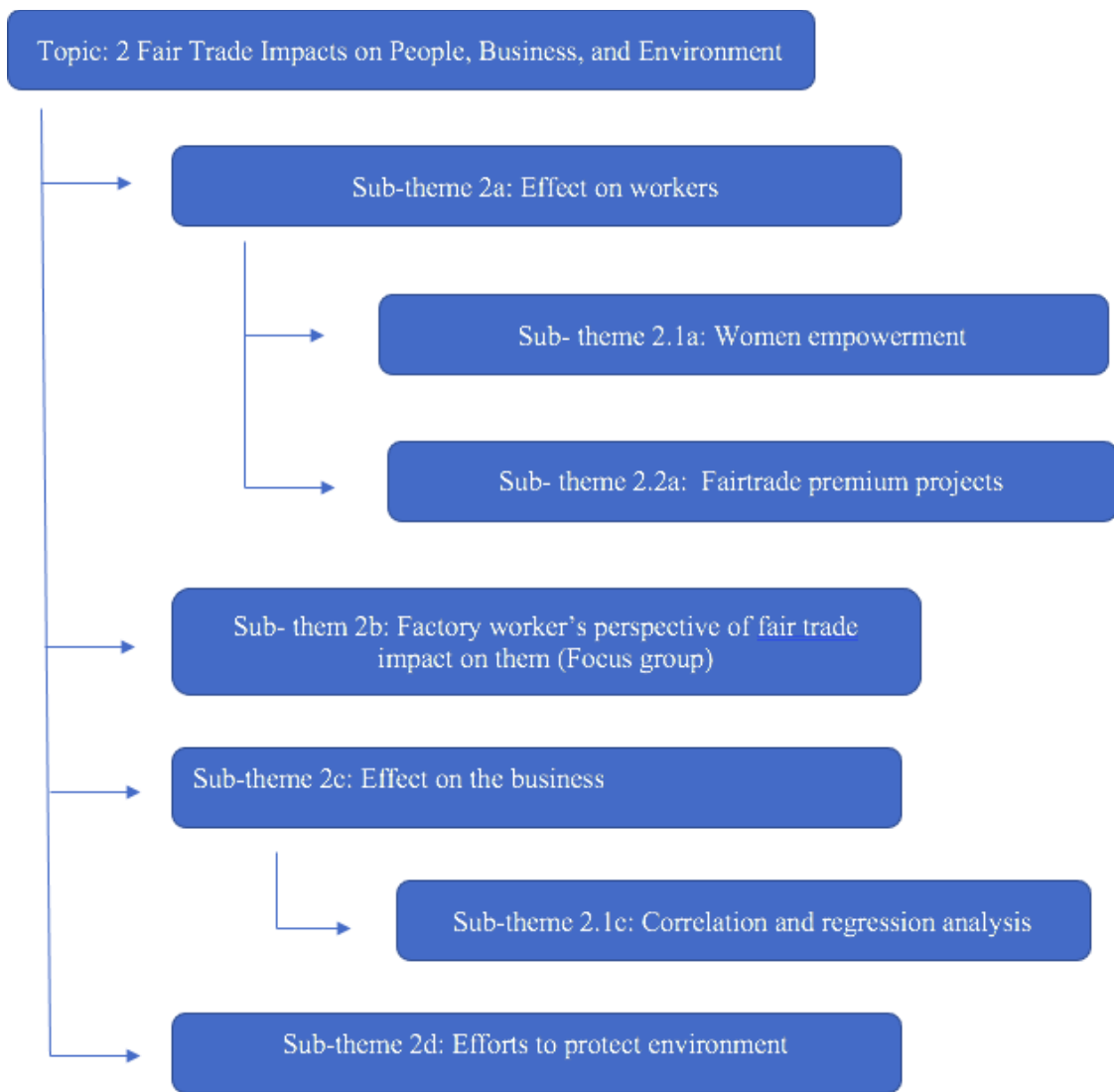
M G says:

*The main problem is, clients do not approach openly in regard to ethical label, as they do not want to pay premium. In soccer industry customers fight for cents. It all about getting the margin for savings. With label if you ask for 15% extra premium where they fight or save cents, it is unlikely that they would come for fair-trade products. There is no deny that they appreciate the ethical practices.*

These findings shed light on the challenges faced by fair trade producers in finding buyers who are willing to pay the additional cost associated with fair trade premiums. The discrepancy between buyer appreciation for ethical practices and their reluctance to pay the premium reflects a tension between consumer values and cost considerations in the marketplace.

### **5.3 Topic: 2 Fair Trade Impacts on People, Business, and Environment**

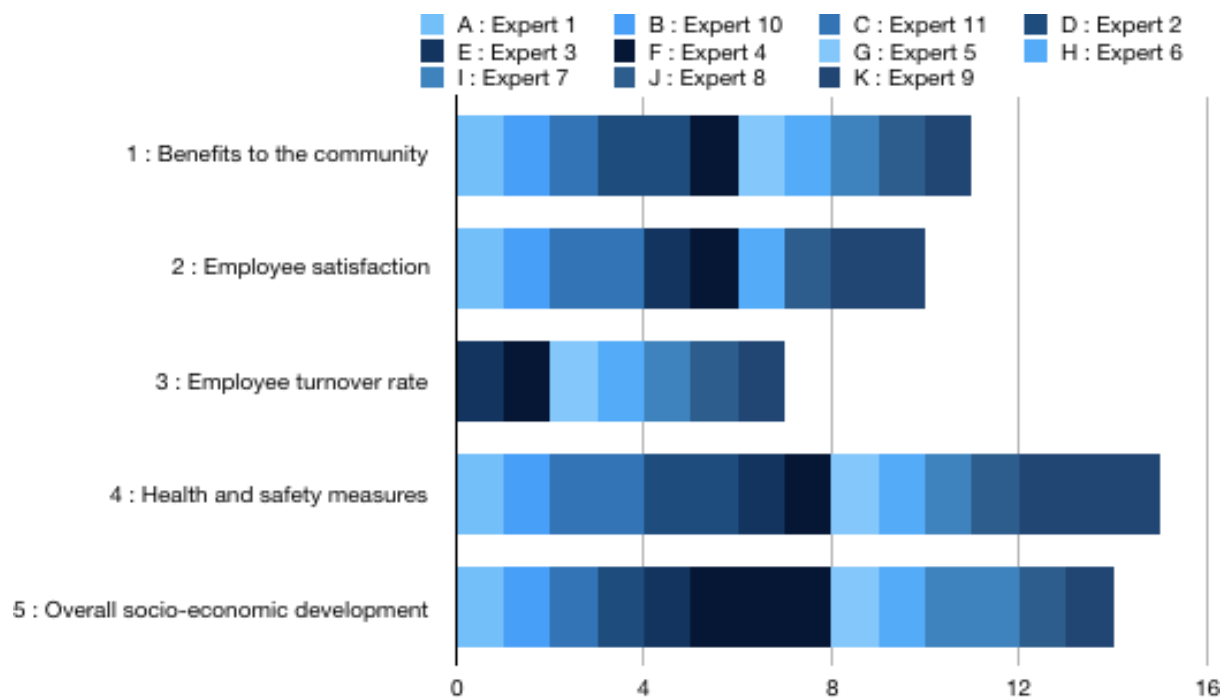
In figure 13, the main theme is " Fair Trade Impacts on People, Business, and Environment and it is further divided into four subthemes: Effect on workers, Factory worker's perspective of fair trade impact on them (Focus group), Service Quality, Effect on the business, and Efforts to protect environment. Two subthemes are then expanded into specific subcategories that capture different aspects related to that theme.



**Figure 13: Thematic analytics tree diagram of theme two** (Source: Author)

### 5.3.1 Sub-theme 2a: Effect on workers

The figure below shows the fair trade effect on workers. The graph includes five nodes that explains the fair trade projects benefits, safe working conditions and workers socioeconomic status.



**Figure 14: Effect on workers**

### 5.3.1.1 Benefits to the community

The respondents share the benefit of fair trade that reaches to the community. The projects add values to community living in terms of health, clean water, and regular health check. The management response shows fair trade registered companies organise free medical camps annually that include eye check-up, diabetes and other basic health test.

Mr M added:

*We also took social initiatives for people living around the factory such as eye-sight check camps. Local people to get advantage of the camp take appointment and we also provided them free specs*

Mr J speaks about clean water facility:

*The purified water is not just for factory workers, but it is also for the community. There are taps outside factory and available for everyone to access to clean water. You might have seen on factory main gate before entering the stitching unit that local people fill their water gallon for home usage.*

Mr G shares the same views:

*Community also gets benefit from the water filtration plant. Plus, they are allowed to book an appointment for our annual medical camps.*

Overall, these responses illustrate how fair trade registered companies extend their initiatives beyond their own workforce and actively engage in projects that positively impact the community, particularly in terms of healthcare and access to clean water.

### **5.3.1.2 Employee satisfaction**

Respondents openly express their feelings about fair trade which brought a huge impact on workers job satisfaction. That further motivates them to achieve product target on time. Plus, they are truly concerned to keep a strict control over product quality.

Mr M adds:

*One of our complete stitching units operate under fair trade regulations. Job satisfaction keeps workers morale high. That ultimate helps the company to achieve their targets with a contentment to see their workers living a comfortable life.*

Mr F shares his opinion:

*It does affect production process. People who work in the stitching unit, understand that if they work hard, it will bring benefits and premium for them. As a result, employee prefer to work for long term. Our employees are working with us for past 10 years and turnover is very low.*

Overall, these responses indicate that fair trade practices have had a significant impact on job satisfaction and motivation among the workers. This, in turn, leads to better productivity and quality control as the workers are dedicated to achieving their targets and maintaining high standards in their work.

### 5.3.1.3 Overall socioeconomic development

The respondents mention about the overall impact, the way fair trade helps to develop the social system in their organisations. The premium they receive, provides benefit to every worker. Factory workers pay attention to keep fair trade products quality high, as they are aware of the advantages associated with the premium money.

Mr D appreciates the fair trade:

*One thing that I have already mentioned, workers welfare system. Other than that fair trade also helped to develop and improve our social welfare system. We have introduced many projects with the help of fair trade that benefited our organisation and strengthen the system*

Mr S explains how human mind appreciates rewards:

*Positive thinking brings a good change in workers life. That actually builds a confidence level in workers to perform well. All our projects for workers give sense of responsibility in their job performance. As they know, they receive a reward for their hard work. As a result, our turnover rate is extremely low.*

Mr Y describes fair trade as an on-going process:

*I think it is a continues process, every day you learn or bring a new idea about the current regulations to improve the productivity. So, it is a continues process. A turnover will get better. We have never felt that we are running a perfect process. Every now and then we feel to bring a change in various departments.*

Overall, these responses highlight the positive influence of fair trade on the social system within the organizations. It fosters a sense of responsibility, motivation, and continuous improvement among the workers, leading to enhanced productivity and a stronger overall system.

#### 5.3.1.4 Health and safety measures

Respondents describe the safety measures in stitching units. The industry has strict measures to protect workers from hazardous chemicals. In dipping department and stitching units, fans are installed for fresh air access and ventilation. The factories provide PPEs, gloves, and masks for safe working.

Mr F narrates:

*Even to use non-hazardous chemicals, we provide personal protective equipment (PPE) to protect workers from any side effects or minimise the risks. Other than that, a chemical called latex rubber is used in our production process. Presently, to tackle the health hazards or chemical handling we are going towards engineering control. Therefore, we have introduced machine automation, before if some workers during elimination process if exposed to ammonia, is now reduced. Through automation we try to minimise the risk to workers health.*

Mr T brings audit requirements regarding workers safety:

*It is an audit requirement which we have to fulfil such as emergency exit, fresh air access in production unit and identified paths in factory units.*

Mr I. described vision zero project.

*We are bringing a project called vision zero. Vision zero is such a big project once we implement it fully it will be different working environment. Vision zero project is a zero accident at workplace. The present environment is also safe. However, to make it safer we are bringing vision zero. The aim and a thought behind vision project is every worker gets back home safe and healthy, not to take any injuries or a disease from workplace. So, to secure work environment safer.*

Overall, these findings reflect the organization's commitment to worker safety and the implementation of measures to minimize health hazards. The use of personal protective equipment, engineering controls, and the introduction of the Vision Zero project all contribute to creating a safer working environment and ensuring the well-being of the workers.



### 5.3.1.5 Employee turnover rate

The respondents share a same opinion about turnover ratio. Since the companies provide extra advantages to workers through fair trade premium project. As a result, it keeps a low turnover ratio. Currently, only six sports companies are registered under fair trade in South Asia. Therefore, they enjoy a unique position in the region and employee prefer to work for long the term with them.

Mr M adds:

*If you see for past one year, hardly 2 or 3 people have left the work. 110 people work here. So out of that 2 or 3 people have left. It is because of other reason that they had to go abroad for better opportunities. Otherwise, they don't leave. You see the facilities we provide; we offer them social security, private fund, bonuses, and annual leaves. Wages are according to the government law, presently the minimum salary is RS. 17500, previously it was RS. 15000. Minimum salary is for those who don't know anything, we have to provide them with trainings. We have seen graduate students are earning minimum wages and provide the same minimum wage to the people not with enough skill and education.*

Mr T also shares his opinion:

*Our employee turnover is less than .5 percent. Its zero percent. Yes, zero percent because nobody wants to leave our firm. As Sialkot have a cottage industry. In every industry they have their own issues and own procedures. We are one of the compliant companies, so nobody wants to leave the company.*

Overall, these findings indicate that the fair trade initiatives and additional benefits provided by the companies contribute to a positive work environment, job satisfaction, and low turnover rates. The unique position of fair trade registered companies in the region adds to their appeal as preferred employers.

### 5.3.2 Sub- theme 2.1a: Women empowerment

The below matrix coding query graph explains women empowerment which is one of the key principles of fair trade that falls under gender equality. The graph includes nine nodes that explains the fair trade registration process and associated challenges to it. The graph also highlights the key requirement for Fairtrade premium committee (FPC), which has a vital role to run premium projects.



**Figure 15: Women empowerment**

#### 5.3.2.1 Barriers for women to work

The respondents agree that their firms encourage women to work in their stitching units. However, many women have different issues preventing them from working. Such problems include location and distance of the factory units from their villages, transportation, and permission from the family.

Mr F argues about the factory unit's location that are usually located in the city outskirts. Ultimately, it discourages women to take a job, or their family do not allow them to work due to distance or even working with men.

*Our factory is located a bit far from the city. While working in a village it is bit hard for them. Even we offer them a free transport. We strongly support women empowerment.*

Mr T explains last year audit where fair trade suggested to recruit more women and provide traveling facility:

*We had an issue of fewer women staff; even in the last audit we had an objection that we did not have enough women. Now we are encouraging and employing more women. It is important to understand that it is not that easy for women to get permission from their family to work.*

These findings shed light on the complexities surrounding women's employment in stitching units. While the companies express their support for women's empowerment and actively encourage their participation, external factors such as location, transportation, and family permissions continue to pose challenges. Recognizing these barriers, the companies are making efforts to recruit more women, but it remains an ongoing process to address these issues and create an environment that is conducive to women's employment and empowerment.

### **5.3.2.2 Separate free transport**

The respondents draw attention to facilitating women to travel without a hustle. Most of the factories provide separate women transport. The fair trade premium money sponsors the project:

*We have started a free separate transport system for female worker. So, this thought is making a difference, and we can see a change is coming, more females are coming to the factory to work with us.*

Mr F also agrees on encouraging women to work in the industry by providing them a free and comfortable transport system:

*We encourage women empowerment and provide the comfortable working environment for them. Therefore, we have specified one transport bus only for women on fair trade premium.*

These findings highlight the efforts made by the participants to facilitate women's travel to work without any difficulties. Most of the factories provide separate transport specifically for female workers, and this initiative is sponsored by the fair trade premium money. The provision of a free and separate transport system for female workers is seen as a positive step towards encouraging women's empowerment and creating a more inclusive and comfortable working environment. As a result of these efforts, the participants have noticed a positive change, with more women choosing to work in the industry. By offering dedicated transportation for women and emphasizing women's empowerment, the participants demonstrate their commitment to promoting gender equality and creating equal opportunities for female workers. These initiatives aim to address the specific challenges and concerns faced by women when it comes to transportation and enable them to participate in the workforce more easily.

### **5.3.2.3 Turnover ratio**

The respondents agree with a need that stitching units provide women with comfortable and safe working environment; due to that they prefer to work for long-term. However, some of the respondents added, once they get married then women stop working.

Mr O says:

*I think that women's workforce is more effective than men's because the turnover ratio is very low. If you pay them on time and provide appropriate working environment. They will work for years with you whereas men can move to another opportunity easily if they get a good offer.*

Mr D brings attention to some facts:

*We noticed that women in our factory work for 2 or 3 years. Later, they get married and relocate to some other district or town. Most of them they do not continue football*

*stitching. so, there is high-rate turnover of female workers. Due to that reason, there is always wastage. Otherwise, they are free to work in all units.*

Mr E talks about turnover ratio:

*The turnover of women staff is very low. All these factors are encouraging management to offer more jobs to women.*

These findings highlight the agreement among the respondents regarding the need for stitching units to provide women with a comfortable and safe working environment. Creating such an environment is crucial as it contributes to long-term commitment from female workers. However, it is noted that once women get married, many tend to stop working. Further, the participants recognize that the female workforce can be more effective than the male workforce in terms of loyalty and lower turnover rates. If women are paid on time and provided with suitable working conditions, they are more likely to work for extended periods, bringing stability to the workforce. In contrast, men may be more inclined to switch jobs easily if better opportunities arise. However, it is observed that women tend to work for a shorter duration in the stitching units as they often stop working after getting married and relocating to different areas. This leads to a higher turnover rate among female workers and can result in wastage of resources. Despite this, the low turnover ratio of female staff is seen as an encouraging factor by management, prompting them to offer more job opportunities to women.

#### **5.3.2.4 Women work efficiency**

The respondents show satisfaction when it comes to the women competency in the factory stitching units. One of the reasons behind their dedication is their commitments to look after kids and family.

Mr S explains the reason women in their factory are more dedicated than men:

*Most of the women workers in our stitching units are married with kids. The primary need is childcare while working on-site. As we provide them a childcare centre. We also provide them education onsite. There are two types of children getting education in our units; dropouts and little kids aged between 3 to 4 years receive Montessori*

*education. It was a fair-trade requirement, as they pointed out in one of the audits. When children stay in the same Unit and get education under the same roof, it brings satisfaction to women. As a result, women workers show more hard work and dedication.*

Mr A shares their HR report about women workers:

*The workers performance report that we receive from different departments including engineering. The outcomes show the women workers are more dedicated, punctual and loyal towards their job.*

One of the companies that was recently registered under fair trade. Mr E adds:

*We have employed two women in production. We hardly receive any ball quality issues in women stitching centre.*

Overall, these findings emphasize the positive impact of providing support, such as childcare and education facilities, on the dedication and performance of women workers in the stitching units. It underscores the importance of recognizing and nurturing the potential of women in the workforce.

#### **5.3.2.5 Safe working environment awareness**

The respondents from only one company stitching units speak about the initiative their company took to spread awareness about their workplace to encourage more women: Mr A proudly elaborates on:

*Our HR team based on women, go around the nearest villages to spread awareness about female worker positions and working environment to the people and try to convince them about the safe working atmosphere for females so they can allow their women to work and add values to their families.*

These findings highlight the efforts of a specific company's stitching units to spread awareness and encourage more women to join their workforce. Mr. A proudly explains that their HR team,

which consists of women, visits nearby villages to raise awareness about the opportunities available for female workers in their company. They aim to convince the local community about the safe and supportive working environment they provide for women, in the hopes that families will allow their women to work and contribute to their families' well-being. This initiative demonstrates the company's commitment to promoting women's empowerment and inclusivity in the workforce. By actively engaging with the community and addressing any concerns or misconceptions about women working in their stitching units, the company aims to attract more female talent and provide them with valuable opportunities for personal and economic growth.

#### **5.3.2.6 Women in the industry**

Women employment ratio is an important element in fair trade annual audit. The respondents briefly highlighted women's ratio working in their company and factories stitching units.

Mr T added:

*In our stitching centre we have an allocated fair trade as stitching unit where our 80% staff is women in that production unit.*

Mr S added:

*We have more than 600 women workers, and the total factory direct employees are 1500. We encourage female to join our firm.*

Mr T added:

*We had an issue of women, even in last audit we had an objection that we did not have enough women. Now we are encouraging and employing more women.*

These findings emphasize the importance of women's employment ratio as a key factor in the annual audit conducted by fair trade organizations. The participants discuss the proportion of women working in their respective companies and stitching units. For instance, Mr. T highlights that in their stitching center, 80% of the staff consists of women, indicating a significant representation of women in their production unit. This demonstrates their

commitment to promoting gender diversity and women's empowerment in their workforce. In a similar vein, Mr. S mentions that they have over 600 women workers out of a total of 1500 direct employees in their factory. They actively encourage women to join their company, further underscoring their commitment to providing opportunities for women in their industry.

Mr. T acknowledges that their company had faced issues regarding women's representation, as highlighted in the previous audit. However, they are now actively working towards addressing this concern by encouraging and employing more women, demonstrating their responsiveness to the audit's recommendations and their commitment to improving gender balance in their workforce.

Overall, these responses indicate that the companies are aware of the importance of women's employment in fair trade practices and are taking steps to increase the representation of women in their stitching units and factories.

### 5.3.3 Sub- theme 2.2a: Fairtrade premium projects

Figure 14 provides the detailed description of Fairtrade premium projects. This is the key factor behind workers welfare and improved living conditions. The graph includes nine nodes that explains the various projects.

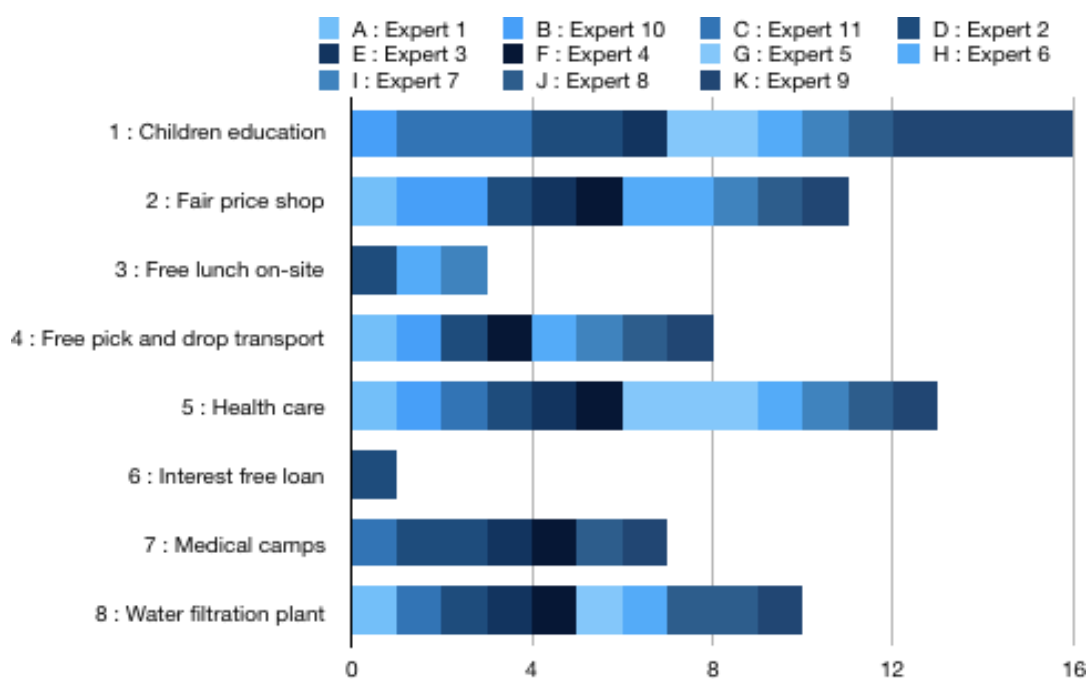


Figure 16: Fairtrade premium projects



### **5.3.3.1 Children education**

The respondents explain the premium money is invested in workers' children education. While working on educational projects, companies provide school uniforms bags and stationery. All the fair-trade registered factories are running educational projects based on premium income. There are families struggling while having five or more children. In such circumstances, this is a significant support to provide the basic needs for schooling.

Mr J explains the way their firm facilitated workers in terms of their children schooling. The fair trade funds are received as premium money that is paid by consumers.

*We provide them school bags, uniforms, stationary from fair trade funds for all the workers children. All these small benefits mean a lot for them, and it saves them an annual cost for their children school*

Mr M adds that they are trying to educate while their mothers work in the stitching units

*We are teaching dropouts children. There are few teachers appointed for our stitching centre. They are teaching in different stitching units.*

Mr F briefly highlights previous projects that supported children against child labour and provided vocational training.

*There is a fluctuation due to the production unit support and business available in the market, and once upon a time when there was an ILO IPECK project in Sialkot. It started in 1997 it was concluded or handed over to the next organisation IMACK in 2003. IPEC project means that you have to document all the workforce and you have to identify the child labour in football industry. In the second phase you have to rehabilitate those children by sending them to school or formal education and later on to the vocational training centre and then you have to provide them an employment. we were among the first three companies who achieved the target*

These extracts demonstrate the firm's dedication to improving the lives of workers and their families through educational support, combating child labour, and providing vocational training opportunities. It highlights the positive impact of fair trade funds in creating meaningful change in the lives of workers and their communities.

### **5.3.3.2 Fair price shop**

The respondents show their excitement while explaining the concept of fair price shop. The fair price shops provide basic groceries items to only factory workers on low prices. Eventually, cheaper food items help every worker to save some money on everyday grocery products. Some workers also explained that the sudden lower sales impact the ongoing fair price shop project. Only a few factories run fair price shop projects as this requires regular buyers.

Mr D adds how workers get the benefits from fair price shops:

*We have a fair price shop enabled by fair trade that provides groceries item to our workers based on no profit, no loss, and we estimated that on average a worker saves 10% to 12% of his salary when they shop from our fair price shop.*

M R adds information about the credit facility:

*In fair price shop, workers can buy low-priced product than market. Second benefit is that credit facility at fair price shop.*

Mr A works for a pioneer fair trade registered company and emphasizes the importance of a fair price shop that they are keeping the project with insufficient premium income.

*We run a fair price shop for our workers. We started the shop with the help of premium money. We are still running fair price shop on our own expenses as fair-trade products are not brining enough premium.*

These extracts shed light on the positive impact of fair price shops within fair trade systems. They contribute to improving the economic situation of workers by offering affordable products and credit facilities, allowing them to stretch their income and enhance their

purchasing power. The continued operation of the fair price shop, despite financial challenges, highlights the value placed on supporting workers' well-being and providing them with essential resources.

### **5.3.3.3 Free lunch on-site**

The respondents share the importance of a food facility on site. The project does not just support worker in terms of free quality food, but it also helps to make savings.

Mr J adds:

*Free lunch saves workers some money and can be spent on family. The same I would say about fair shop. All these saving bring prosperity to workers.*

Mr M explains drawbacks of low premium and the project they ran through premium money:

*Fairtrade actual impact comes with premium. Fair trade orders will come, in return the 15% premium will come, and workers would be able to think of their own projects. In past 2 or 3 years whatever premium came to us. We started a free lunch project for workers. Once it started, we were hoping a continued premium. However, it the premium stopped later on. Still, we continued the project for 6 months on our own. Eventually, we stopped the project.*

Mr D adds:

*Some of the facilities we are providing to workers are free lunch, free transport, any personal problem of working regarding their kids' education or health we were doing it before fair-trading.*

Overall, these findings highlight the importance of benefits and projects aimed at improving workers' lives. The extracts also emphasize the role of premiums in sustaining and expanding such initiatives. While the discontinuation of certain projects due to a lack of ongoing premium income may indicate a challenge, the provision of these benefits and support systems remains a priority for the company.

#### **5.3.3.4 Free pick and drop transport**

The respondent shares the details of the accessible transport system. All the companies accessible free transport facility under premium money. The transport facility saves workers' traveling time and expenses.

Mr T adds:

*With the help of fair trade, we provide free pick and drop service to our workers. It has a good impact on workers lives when you travel on public transport during the office hours or peak hours. It can be bit risky to people as mostly public transport as overloaded with passenger; it can cause accidents. Plus, free transport saves workers time, they normally reach home or get to office within 40 min.*

Mr P shares that their company is thinking to start free transport system as his firm is running a newly registered fair-trade unit:

*We have some premium where we are thinking to start another project. We are thinking of a free transport. There are two options either we bus them a bus or rent a transport for them. Or we can provide them a motorbike on instalment.*

Mr E says that his company rented some buses to provide free transport to their workers:

*Yes, we provide pick and drop services to our workers. We have arranged buses from fair trade premium.*

Mr J adds the most concerning issue of insufficient premium or fair trade modest sales which badly impact on-going projects.

*Before we had a free pick and drop device for workers. Unfortunately. We could not continue due to insufficient fair-trade premium.*

Overall, these findings underscore the significance of accessible transport in the lives of workers. Free transportation not only saves workers time and expenses but also provides a safer and more convenient mode of travel. However, the challenges arising from insufficient premium income highlight the need for sustainable and consistent funding to support such initiatives in the long term.

#### **5.3.3.5 Health care**

The respondents highlight the health facility that includes annual medical camps, health insurance, eye test camps, social security, and a local on-site dispensary.

Mr T adds:

*Our workers are registered under social security scheme. When needed they can approach government social security hospitals and get treatment there, up to any level.*

Mr S adds the importance of health insurance:

*We have been running projects for community health and medical care. We are providing a health insurance that is unbeatable in the market. Since we have availed the insurance policy from conventional companies, but we have insurance scheme that is better than all of those available in the market.*

Mr E further elaborates:

*There is no limit in the health insurance policy. There is no discrimination, there is no criteria whether a supervisor has to be accommodated in a private room or workers to be accommodated the wards. No, there is no discrimination. Everyone should be treated the similar way. There is no limit of accessing the hospital. it is not like you needs to go to the district. you can also access a hospital in Lahore. we have to provide them with health care up to any level available in Pakistan. we have assisted people with brain surgeries, we have supported cancer patient and we have rehabilitated the polio-affected children of the workers, which is very laborious job because it needs series of surgeries for a patient.*

Mr Q focuses on the approach of health insurance facility to workers extended family:

*One thing I have noticed which is very welcoming regarding health policies. You have also included depended siblings of a worker, not just parents and kids in health care which unusual*

These extracts showcase the comprehensive nature of the health facilities provided to workers. The company's health insurance coverage goes beyond the norm, ensuring equal treatment and access to healthcare for all workers, including their extended family members. The focus on providing extensive medical support, including complex surgeries and rehabilitation, demonstrates a commitment to the well-being and health of the workforce.

#### **5.3.3.6 Interest free loan**

The respondents from the fair trade pioneered registered companies with fair trade from South Asia. This is the only company that offers interest-free loan to their employees.

Mr M adds:

*Then we had many schemes such as interest-free loans, for example a worker applied for a loan, and he started a small shop in the house for wife or bought a rikshaw and rented it. That's it generates a second income. A second source of income to their life bring a big difference.*

This finding indicate that the respondents are from fair trade registered companies in South Asia. Among these companies, there is one company that stands out by offering interest-free loans to its employees. Mr. M elaborates on this by sharing an example. He mentions that the company provides interest-free loans to workers who can then utilize the funds to start a small shop for their spouse or purchase a rickshaw and rent it out. This additional source of income generated from the loan has a significant impact on the workers' lives. The inclusion of interest-free loans is noteworthy as it demonstrates the company's commitment to supporting its employees' financial well-being and promoting entrepreneurial opportunities. By offering these loans, the company enables workers to engage in income-generating activities and potentially improve their economic circumstances. Overall, this finding highlights the unique and

beneficial practice of providing interest-free loans to employees, which can have a transformative effect on their lives by creating additional sources of income and financial stability.

### **5.3.3.7 Medical camps**

The respondent talks about their annual medical campus where they make the basic health screening for every worker. Some of the companies also allow the community around factory units to take advantage of these medical camps such as eye check-ups and diabetes support.

Mr M added:

*Fair trade projects have benefited our workers in different ways. Our medical camps make sure their basic health check-up. Also, we arranged different medical camps such hepatitis check, diabetes check even seminars for cancer awareness. So, see a thought given by fair trade is making difference in people, bringing awareness*

Mr P shares his company's arrangement:

*We arranged a medical camp. We did employee essential health screening where we found out 4 employees as hepatitis c affected. We recommended them for treatment under social security scheme. Two patients have recovered from the virus, however the two are still going through treatment. So, until it does not damage your liver you don't know about it. So, it helped to save their lives.*

Mr F says:

*Other benefits are medical camps where we do quick check-up for Hepatitis B and C, diabetes, eye check. Medical camps clarified health status of every worker. It is important to know your health status, so you can start treatment for any infection such Hepatitis c. you know how important is to know this infection in early stages and the treatment is also expensive*

Overall, these findings underscore the significance of the annual medical camps organized by the companies, showcasing how fair trade initiatives are prioritizing the health and well-being of workers. The camps provide valuable health screenings, raise awareness about diseases, and facilitate early detection and treatment, ultimately contributing to improved health outcomes for the workers and the surrounding community.

#### **5.3.3.8 Water filtration plant**

The respondents share their views on the importance of clean water. All fair trade registered companies' stitching units provide a clean water filtration plant on-site for their workers and the surrounding community.

Mr M adds:

*We are the first to provide the clean drinking water in the industry that is purified and tested periodically to the WHO standard. The purified water is not only for the workers, but it is also for the community. There are taps outside and anyone can have access to clean water. You can see people come and fill their water gallon for home usage.*

Mr P says:

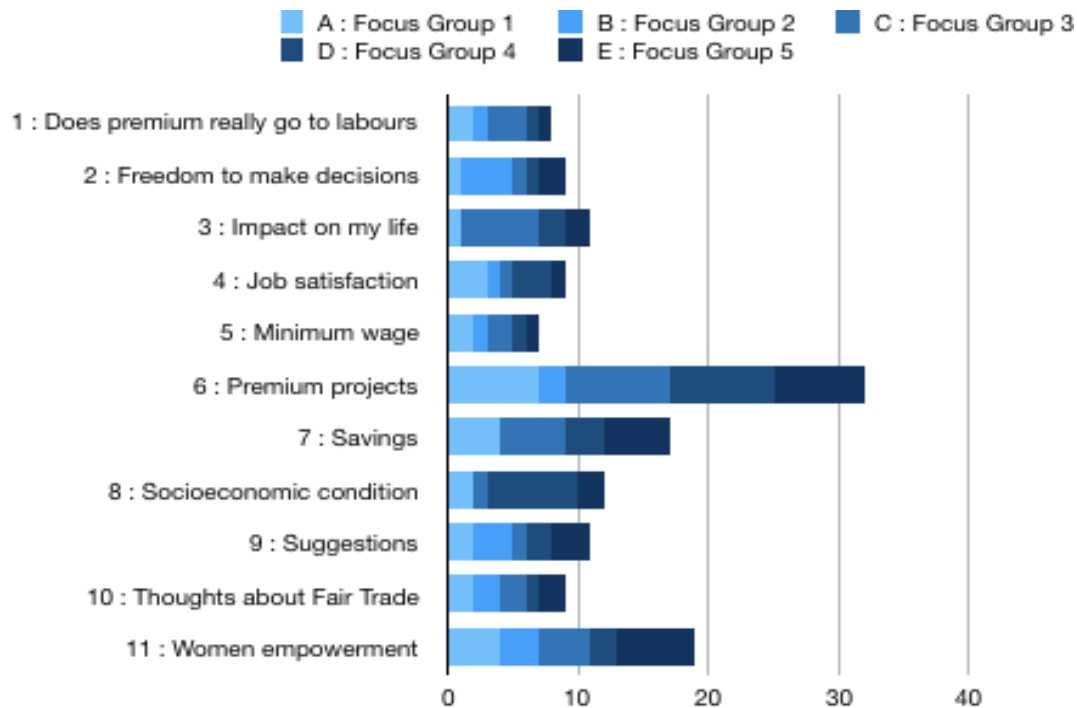
*We have installed water filtration plant about 3 years back for our factory workers and for community. We also have clean water plants in stitching centres.*

Overall, these findings underscore the significance placed on clean water by fair trade registered companies. The provision of on-site water filtration plants ensures that workers have access to purified drinking water, promoting their health and well-being. Moreover, the companies extend this provision to the surrounding community, demonstrating their commitment to improving the overall access to clean water in the area. This initiative aligns with the broader goals of fair trade, which includes promoting sustainable and responsible practices that benefit both the workers and the community.





The figure below shows the matrix coding query graph of focus group discussion that focuses on the workers perspective of fair trade impact on them. The graph includes nine nodes that explains various elements of fair trade.



**Figure 18: Worker’s perspective of fair trade impact on them (Focus Groups)**

### 5.3.4.1 Does premium really go to labour?

The respondents agree with the fact that premium really goes to them. As they have witnessed, all the projects run smoothly, and it is only possible if the premium amount is appropriately invested in the projects. Respondent J from firm-1 says:

*Yes, I strongly agree. I give an example of company transport system. These five or six buses operate under a fair trade premium project. All the maintenance expenses are charged through premium, which includes fuel expenses and driver’s salary. Secondly, the water filtration plant check and maintenance such as filter replacement, rely on premium money*

Mrs K also add some premium running projects:

*The company runs a fair-trade shop and access to clean water through their water filtration plant. Only fair trade makes it possible.*

Further respondent J supports the above statements by adding:

*Kids school uniform and stationery on annual basis.*

Mr H adds the importance of fair-trade guidelines:

*We cannot start a project on our own. Though our preference is important. However, we also have to take fair trade guidelines into consideration before planning a project. For example, some facilities that government provide such as social security, cannot be allowed by using fair trade premium.*

A diverse reaction is received to support the argument. Respondent L adds fair trade committee workers' signature is required to release the payment for the project. More evidential information is shared by respondent H that fair trade annual audit also helps to keep a check on premium payments.

*Respondent L: I understand that the fair-trade premium account is registered in the committee worker's name. The signatures are required by committee worker and audit member on cheque.*

*Respondent H: Actually, there is a check and balance. Where you can tract the premium investment. Secondly, we have an audit system too where you can find out more about projects spending.*

Respondent K concludes it by saying,

*Considering all these things, we can say it is truly invested on us.*

The participants are in agreement that the fair trade premium goes towards their benefit. They mention various projects such as company transport, water filtration, fair trade shop, and kids'

school uniforms, which are funded by the premium. They also emphasize the importance of adhering to fair trade guidelines and undergoing annual audits to ensure transparency and accountability. Respondent L adds that fair trade committee workers' signatures are required to release payment for the project, which further ensures that the premium is spent appropriately. Overall, the respondents believe that the premium is well invested in their projects and benefits.

#### **5.3.4.2 Freedom to make decisions**

The respondents explain the procedure of choosing a project. They highlight the voting system and strong hierarchy of fair-trade premium committees. The committee allows workers to vote and decide on the upcoming projects. The projects mainly depend on the amount collected from fair trade premium. Mr P explains the fair-trade committee roles in deciding on a project that includes workers' members and management representatives:

*In this group of discussion, many of us are, members of fair trade committee. They are elected representatives of fair-trade committee. It is called fair trade premium community. They are responsible for fair trade projects, and they have the liberty to choose their own projects within the scope of fair trade. Committee members represent workers community whereas two members are chosen from management. Both parties, management and workers have their own responsibilities. The management representatives highlight the fair-trade policies, under we can choose a project. As final outcomes, the committee members can only provide guidelines but cannot force their idea on workers choice.*

Miss B explains the voting system:

*Workers choose their project. We have a voting system to start a project and work on other parameters. In general, six people vote to finalise a project.*

A critical point in regard to challenges is added by Mr U:

*It is challenging in terms of selecting a project as you cannot make everyone happy. You need to be more practical by bringing a project. it is essential to consider fair trade*

*criteria and workers' need. Suppose fair trade health project only covers immediate family that includes wife and kids. Somehow in our country your sibling can be dependent on you. For example, if your siblings get sick. Fair trade premium health scheme does not cover extended family members. In such situations, it gets challenging for us to make special arrangements where company contribute to such situations.*

The findings suggest that the fair-trade premium committees play a significant role in selecting projects within the scope of fair trade policies. The committee is composed of elected representatives from both workers and management, who work together to choose projects that meet fair-trade criteria and address workers' needs. It emerges that workers are given the liberty to vote and decide on projects, with a voting system in place to finalise a project. However, the participants also acknowledge the challenges in selecting a project that meets the fair-trade criteria and satisfies everyone's needs. These challenges include practical considerations, such as covering extended family members under the health project, which require special arrangements from the company. Overall, the findings indicate that fair trade premium committees work within a strong hierarchy and democratic voting system to choose projects that benefit workers and meet fair-trade standards.

#### **5.3.4.3 Impact on my life**

The respondents describe how fair trade impacted their life. The impact is based on premium projects and the workers' rights awareness fair trade fetched to workers' life.

Ms S works as a HR assistant and looks after fair trade matters as a fair-trade assistant. She explains the importance of fair-trade training that changed her life after attending nutrition sessions.

*First of all, working as a fair-trade assistant. I feel so proud working with them. Secondly, fair trade conducted employee nutrition sessions a few weeks back. There were about eight sessions for us females. Personally, those sessions brought a big impact and awareness in me. I came to know more about healthy food and the food that I need to avoid or limit in my daily eating. Also, awareness about the way our body reacts to certain foods. After those sessions, I was able to think widely and look after diet in a better way. We go through many trainings. However, the training about health*

*and diet was a brilliant idea and it left big positive impact on our life. First, the sessions were planned for women. Later on, we requested fair trade to conduct some sessions for male workers too.*

Miss M added that she feels safe by using free company transport and premium projects helps her to make some savings.

*Financially, I save some money by using fair trade free transport service. Plus, they provide a separate service for females where I feel very safe as I am picked and dropped to my home on time. Also, fair price shops save me some money too.*

Mr K narrates how a fair-trade registered company has helped him to make extra savings.

*I worked for 5 years in another factory that was not fair trade registered. I truly became exhausted, working there and I wanted a change. Since I joined this company. I came to know about fair trade welfare projects. I feel genuinely happy and proud about the welfare system. Particularly, I am content about transport service. Suppose if an individual has 15000 rupees salary and travel on his own to factory from another town. The cost could be minimum 3000 to 4000 rupees. As a result, we save that money. Likewise, lunch is actually good and free.*

Another woman worker, Ms P added the element of women empowerment and a belief on her abilities is due to fair trade.

*Since I work between management and workers. They share their problems without any issue. We discuss and plan upcoming projects. As a woman, fair trade brought confidence in my life. I feel as if I am trained and able to live on my own in this society, particularly on my rainy days.*

Mr R added:

*My brother had an eye swelling; we had an eye camp here. I brought him here for his eye check-up. It was a big help when we cannot afford regular medical check-ups. I was inspired by the project.*

The participants highlight the positive impact of fair trade on their lives, specifically through fair trade premium projects and workers' rights awareness. For instance, Ms. S explains how fair trade training on nutrition brought a big positive impact and awareness in her life. On the other hand, Miss M feels safe using the free company transport and fair price shops save her money. Mr. K highlights how he is content with the transport service and free lunch provided by fair trade, which has helped him save money. Ms. P mentions how fair trade has brought confidence in her life as a woman, and Mr. R shares his experience of how fair trade eye camp was a big help when he couldn't afford regular medical check-ups. Overall, the participants highlight that fair trade has positively impacted their lives by providing essential services and creating awareness on workers' rights.

#### **5.3.4.4 Job satisfaction**

The respondents share their experience of jobs satisfaction. They briefly add words that keep them going and irresistible interest in producing a quality product.

Mr J relates the job satisfaction to achieve production target,

*It makes a difference on production. Now a day's work is bit slow. Otherwise, we make average 3500 to 4000 balls daily. We put our heart into making a quality ball. We are aware of our responsibility and expectation from fair trade products.*

Mr F further argues how premium projects add value to job satisfaction,

*Suppose you are making balls for a brand then you need to focus on their compliance. As per local law you need to make sure to obey all requirements such as health and safety requirements. A school that works under social security and provides free education to workers children. thus, it is understandable that you provide benefits to workers. As a result, they work hard for you. That is why our turnover is very low. Unless someone is leaving abroad, only then they leave this job otherwise they like to keep working in the factory.*

Mr M also agrees with Mr F and explains his point,

*It does impact. The premium money brings a change in me and my family life. I feel satisfied with my work. I work with peace, and it defiantly bring more motivation or power in me to make balls with attention and keep the quality standards in mind. As I know, a good quality ball will bring more order for us. It will have a big impact on our families.*

The findings suggest that the participants have a high level of job satisfaction, which is attributed to various factors. For Mr. J, achieving production targets is a significant source of job satisfaction, and he emphasizes the importance of producing high-quality products that meet the expectations of fair trade. Mr. F and Mr. M both mention the impact of premium projects on their job satisfaction, which not only adds value to their work but also brings positive changes to their lives and families. Overall, the participants share a common interest in producing quality products and are motivated to work hard, which contributes to their job satisfaction.

#### **5.3.4.5 Minimum wage**

The focus group participants exchange their view on, one of the most important elements of fair trade. The minimum wage is a major issue in developing countries. The respondents share how fair trade makes sure the minimum wage and highlights the importance of fair price in order to receive fair wage.

Mr S defends fair wages:

*When you work with a brand, there is no compromise on paying minimum wage. Brands will never compromise on workers salary or we workers would mention the true figure fair trade audit meeting that we receive 7000 rupees salary whereas signed on 15000 rupees salary. Some of us were even asking today about the minimum wages as they came to know that government has increased minimum wages from 15000 to 175000 rupees.*

Mr T discusses an essential factor of fair price that helps to raise or add reasonable trade balls commission to their monthly incomes or minimum wage.



*First thing is fair price. For example, if I receive a fair price only then I can offer a fair wage price and then fair premium. As one of colleague told you before wages used to be more, almost equal to one dollar. thus, the wages used to vary with respect to the dollar value. Currently, the price of fair-trade ball is less than conventional football. The main reason for this is, for all other products fair trade has a fix minimum price. coffee, banana, tea have a minimum price and same for other products. In Sialkot city the fair-trade product is sports ball that minimum price is not set. if the product price is not stable then wage cannot be set as minimum wage.*

*Mr Q further narrates Mr T opinion,*

*Suppose a customer pays a good price for balls ultimately it impacts wage as well. if the fair-trade ball selling price goes even down than conventional ball which we are selling for 4 dollars, and customers are buying fair trade ball for \$3.5. In this scenario, how is it possible, that fair trade wage should be more than conventional ball. Therefore, the biggest hurdle is the minimum price or set price for fair trade balls.*

The findings reveal that the participants have a strong sense of job satisfaction, which is mainly driven by their dedication to producing quality products that meet the standards set by fair trade. Additionally, the premium projects have a significant impact on their work, making them feel valued and satisfied with their job. The participants' job satisfaction seems to stem from a combination of factors, including a sense of responsibility towards their work, the impact of premium projects on their lives, and their belief in the positive impact of fair trade. The findings highlight the importance of fair trade practices in creating a positive work environment that promotes job satisfaction and employee well-being.

#### **5.3.4.6 Premium projects**

Premium projects scheme is the most important pillar to improve fair trade credibility. Fair trade guidelines focus on the core needs of the work that maximise the benefit to all the workers such as free transport, separate transport for women, children education, health, clean water, and others. This is illustrated by respondent words as presented below: The respondent illustrated their opinions in the tables below:

**Table 5: Focus group participants opinion about premium projects**

<p>Firm 1. Respondent M</p>	<p>The company provides school bags, book, and stationery items to our children. If you go on your own to buy a school bag, it will cost you 1000 to 1500 rupees. They provide school bags to all the children of workers.</p>
<p>Firm 5. Respondent K</p>	<p>It is to nominate a fair-trade stitching centre in all registered stitching units. That is where all the workers in the stitching centre get equal benefits. It is not about benefiting an individual but all the workers. We had crucial issue of clean water. We had a discussion and asked for workers opinion. As a result, in both stitching centres water filtration plant was installed, in Samrial and Sandrana at Pasroor road. Both centres provide clean water, not just to workers but also to the community. The maintenance is monitored on monthly bases.</p>
<p>Firm 2. Respondent W</p>	<p>Presently, we have educational project going on. Where, we receive school bags, stationery and books for our children. As you know, schoolbooks are quite expensive. We prefer projects on priority or need bases. The company also provides scholarships for higher education. There are two projects in the pipeline, annual medical check-up and interest free loan. A medical dispensary is onsite that provides first aid.</p>
<p>Firm 3 Respondent J</p>	<p>Currently, there are three active projects, educational, health and an interest free loan. Interest free loan is not that successful as compared to educational and health projects. Health project brings an advantage of no limit treatment cost and no discrimination. The policy is same for all the staff, even supposing they belong to lower or senior staff. They have the access for treatment in any hospital within Pakistan. we have some examples where workers were treated for serious illness such as open-heart surgeries, cancer. They recovered and enjoy a healthy life now. One of our workers was a cancer patient of stage 3.75. Cancer hospital Shaukat khanum do not take patient over stage 3.50 level. Since he had a private insurance, therefore, his case was taken by hospital and</p>

	successfully regained his health. Since the hospital provides free treatment for poor patient that is why they do not take patient where the cancer stage is over 3.5 as the chances of survival are low and hospital cannot afford to spend money on such cases. In this situation private insurance helps
Firm 1. Respondent P	Fair trade supervisor adds: We offered a Ramzan package project recently. We have given special relief to workers in fair shop. It saves workers time and money when they buy goods from fair shop. Also, they get the cheaper price compared to the market. This facility is only for labours. The reason we say Ramzan package is special because we give 10% subsidies on all the products
Firm 4. Respondent R	What I like about fair trade is the transport facility. Then, free food helps too. Suppose we buy lunch from an average restaurant. It will easily cost us between 150 to 200 Rupees. We have a cafeteria on-site where we are offered free nice lunch.
Firm 5. Respondent Y	Fair trade transport facility is safe for women. Usually, men and women travel together on public transport. However, we have separate buses for women in company transport. Plus, I get free school bags and stationery for kids every year.
Firm 1. Respondent F	Pick and drop facility, free lunch, and annual medical check-up helps us to know our health status.

The findings suggest that the premium projects scheme is crucial for improving fair trade credibility. The focus group participants' opinions show that the scheme addresses the core needs of workers, such as free transport, separate transport for women, children's education, health, clean water, and others. The participants mentioned various projects initiated by their companies, including providing school bags, books, and stationery items for children, installing

water filtration plants, offering scholarships for higher education, and interest-free loans. In fact, participants appreciated these projects as they benefit all workers, not just individuals. They also mentioned the importance of free and safe transport facilities, free lunch, and annual medical check-ups, which contribute to their well-being. Overall, the premium projects scheme plays a crucial role in improving fair trade credibility and meeting the workers' core needs, leading to increased job satisfaction.

#### **5.3.4.7 Savings**

Respondents share their savings figure. Mr M adds:

*We receive school bags, books and stationery items for our school-going children. Suppose you buy a school bag on your own. It will cost you 1000 to 1500 Rupees.*

Ms K supports the saving arguments:

*Yes, I save money especially when I buy from the fair price shop. The products are cheaper than market rates. I save some money there and also free transport is a big help too. If we take a private transport as I live 30 km away from the factory. It easily costs 150 Rupees on way. In that aspect, we all save approximately 3000 Rupees. It is big saving for us.*

Mr D also shares his experience after joining a fair trade registered factory:

*Before, I used to work in a hospital. I was using public transport for that, paying from pocket. Since I started a job in this factory. I save money for transportation, clean water, and lunch — I benefited from all fair-trade projects.*

Mr S shares:

*What I like about fair trade is the transport. Plus, something about the food. If we buy lunch from a restaurant. It will easily cost us between 150 to 200 rupees. This is an advantage that in factory we have a restaurant where they offer a free lunch to all workers.*

The findings suggest that fair trade initiatives are providing financial benefits to workers in the form of savings. The provision of free or subsidized products, such as school bags, books, and stationery, as well as cheaper prices at fair price shops, is reducing the financial burden on workers. Additionally, free transport, lunch, and access to clean water are helping workers save money that they would otherwise spend on these basic needs. This indicates that fair trade practices are not only improving working conditions but also providing economic benefits to workers.

#### **5.3.4.8 Socioeconomic condition**

The respondents describe socioeconomic variables such as income, education, and health. In general, Income and education have shared predictors of a range of physical and mental health problems. However, the respondent's response shows some positive changes in their living conditions. Mr M explains:

*I live in the joined family system. I bring food products from fair price and clean water from m factory filtration plant. It assists everyone in my house getting healthy food and clean water to live a healthy life.*

Ms K adds the educational aspect:

*I receive school bags and stationery for my children. It is a relief for a worker like me who has five kids. I get five school bags everywhere for them. It facilitates my children to achieve education. Most importantly, I feel satisfied that children can go to school and it would change their future.*

Ms F explains the qualification criteria for their occupation and high time to support vulnerable groups, such as disabled persons:

*Education is not a barrier to working in this company. Even if you are not a well-qualified or trained individual. Still, the factory provides training to develop skills before working in stitching units. Many educated women work in admin or HR. In our stitching unit, even disabled people work. They are well trained, know their job and doing a fantastic work. The company has reserved positions for disabled people.*

*Presently, we have five disabled people working in various departments. The disabled applicants are allowed to work in this firm. Although, they cannot full contribute to the goals, in a situation like hand or arm disability. The company still encourage them and provide them a platform to change their life and protect them as vulnerable people. These motivations come from fair trade.*

Mr T adds the benefits to the community:

*Community gets to benefit from our clean filtered water project. Recently, we organised a medical camp for blind people and provided them with blind glasses and a walking stick. The local communities have also access for factory medical dispensary.*

The findings suggest that the participants have experienced positive changes in their socioeconomic conditions due to the fair trade practices implemented by their company. The participants reported benefits such as access to clean water, healthy food, and education for their children. Additionally, the fair trade practices have allowed for greater inclusion of disabled individuals in the workforce. These benefits have not only improved the well-being of the respondents and their families but also extended to the broader community. The findings also suggest a recognition among the respondents of the importance of education, healthcare, and equal opportunities for all individuals, irrespective of their socioeconomic backgrounds.

#### **5.3.4.9 Suggestions**

Respondents openly share their opinions to improve the fair-trade promotion policy to receive more premium income by promoting fair-trade sports goods. They believe the soccer icons should come forward to run a strong campaign. People admire sports personalities, which will bring an enormous impact.

Mr N expresses his idea:

*I strongly suggest fair trade soccer ball shall be promoted worldwide. Currently, in our country mainly two products are fair trade certified, soccer ball and dry fruits. Its mainly dry fruits industry enjoying fair trade higher prices. The reason to dry fruits fair trade success is, they only export fair trade products. here we mountain fruit, those*

*who are getting benefit from fair trade promotions. It is a high time to promote soccer balls worldwide, only then it will bring a broader change in workers and community life.*

Mr J talks about the responsible elements that need to be addressed in the local region.

*Now you decide, who is responsible who has not set the minimum price? Secondly, accountability comes on stakeholder or producers in Sialkot who have not paid enough attention to work out the minimum price for fair trade goods. Since Sialkot is a production city and export sports products. Thus, everyone is more concerned about their interest or client. if they become united on one platform, subsequently one voice can make a difference to set fair trade ball a minimum price. once the minimum price is set, for fair trade products the minimum price can go up to minimum \$10. As a result, it will obviously set a minimum wage too. Earlier, yet the minimum price was not set. Still, the fair-trade wages were twice as conventional ball.*

Mr R also suggests a strong promotion campaign and local charities in Europe should play their role:

*I personally think that there are no fair-trade promotions in the western world. there is a big charm of soccer ball in EU or in US. Sadly, there is no charm of fair-trade football. I might be lack of awareness or promotions. They are first world countries. Whereas we are developing nation. They have NFOs and we have producers. It is their responsibility to promote fair trade goods from Sialkot city which is footballs.*

Mr M expresses his views:

*Everything has an origin and football has a trend origin in EU. it is not very promoted in EU such as creating a promotion campaign with soccer icons like Messi, Ronaldo, and others. Fair trade should use those heroes to promote fair trade balls. People idealise football players. if they bring this ethical message, people will listen to them, and it will bring a change in people life in developing countries. I think it will be a good start by fair trade. Similarly, fair trade logo on their shirt will help as well. why people adopt using fair trade coffee, its quality plus their strong promotions. If the same policy*

*goes for fair trade balls. we are very confident that it will bring a phenomenal change in fair trade sales.*

The findings suggest that the respondents are in favour of promoting fair-trade sports goods, particularly soccer balls, and they believe that sports icons can play a significant role in promoting fair trade. The participants also suggest that setting a minimum price for fair-trade goods can result in fair wages for workers. The lack of fair-trade promotions in western countries is also discussed, and the respondents believe that promoting fair trade sports goods in these countries can have a significant impact on the lives of workers and communities in developing countries. The use of football icons and strong promotions is seen as an effective way to increase awareness and demand for fair-trade sports goods.

#### **5.3.4.10 Thoughts about fair trade**

All the respondents share their opinion and thoughts about fair trade. It shows the awareness level of labour right and the role of fair trade in improving their livelihood. They express their feeling about a platform that provides an opportunity to invest on people welfare. Mr D shares his thoughts:

*When we think of fair trade, the only thing that comes to mind is, helping labour. To be aware of labour problems and actively work for workers welfare.*

Ms S explains what she knows and think about fair trade:

*what I think is, fair trade is a good initiative. It is a concept which pay attention to lower staff. Working on the ideas that can bring benefit to their life. Normally, we work only for ourselves. However, it is also important to look into labours needs and lifestyles. For example, we have fair trade project of transport which I thought is one of the most important projects. All our labours and staff members travel on these buses. We save the transport expense. While saving transport dues mean a big saving for labours. This is really a big thing for us. We really appreciate it that fair trade brought this idea and worked on it for us.*

Mr E adds:



*It works for labour welfare. It is a learning process for workers. Our employees receive many advantages from fair trade like free transport; we have opened a fair price shop, clean water filtration plant, it provides clean water to people.*

Miss B briefly explains the concept:

*Fair trade is a concept that works for poor co-workers in developing countries. Fairtrade has different products, in our case, it is football. Typically, we get a high premium for fair trade balls, which we utilise for our projects.*

*Fair trade product prices are higher than conventional balls. There is a 30 to 35 Rupees absolute difference in a ball price. However, now a days, it is less than 30 Rupees compare to other products.*

The findings suggest that the participants have a good understanding of fair trade and its purpose in improving the lives of workers. They appreciate the initiatives taken by fair trade, such as providing free transport, opening a fair price shop, and setting up a clean water filtration plant, which benefit workers and the local community. There is a shared understanding that fair trade can provide a platform for investing in people's welfare and addressing labour problems. The participants also emphasize the importance of fair trade promotions and campaigns to increase awareness among consumers and create demand for fair trade products. Overall, the findings indicate a positive attitude towards fair trade and its potential to bring about positive change in the lives of workers and communities.

#### **5.3.4.11 Women empowerment**

Women empowerment is one of the significant elements in the fair-trade agenda. The respondents shared vital information about gender equality, discrimination, opportunities for women, and role of women in society. Ms S from HR addresses the discrimination aspect:

*I have witnessed in this company that there is no discrimination working as a woman. If you are devoted to the company and work hard. Then it does not matter that you are a man or woman.*

Ms M further adds to the discrimination issue:

*It happens in our society, luckily not in this company. They provide equal rights.*

Mr A works as an HR assistant and adds:

*We also consider gender equality and women empowerment. We make certain equal rights for males and females. It is not like we pay higher wages to men than women.*

*For women, we provide training for capacity development. We make them aware of their rights. However, if you feel or face discrimination during work. Our policy encourages them to report such issues to the management. We take such matters very seriously. As a result, workers can approach the CEO if they find HR ineffective.*

Ms R shares her opinion about a safe working environment for women:

*Yes, this is a big advantage, Fatima is related to HR, and she often goes to different villages to tell people the about our company environment for women. We have a very safe environment for women. We never have any unsafe case against women safety or assault. Once the women start working in our company then they are not just our employees but also our responsibility. We try to provide protection, not just in factory premises but also run a pick and drop service.*

Ms N tells how the firm makes sure women are protected:

*They protect women. Sometimes it is hard to work with males' colleague in the same unit. For women's safety they separate unit for women, same for separate women transport. In in lunch canteen, woman have separate canteen. Even if men and women work in the same unit. It is still a safe environment as women are felt protected and we feel very comfortable.*

Ms Z focuses on women' contribution for prosperity:

*I think the cooperation of a man and woman, or husband and wife is essential. Woman is incomplete without her man and same for a man. Prosperity in a family is important. Sitting at home despite an educated woman, then there is no point to have an education. It is important to go out and see the world. It makes you stronger and provide a sense to tackle difficult situation. Imagine if a man is going out brining 15000 Rupees salary. In that salary he is pay his family expenses, kids school fee, grocery, monthly rent. If a woman is always working, then they both can easily afford a good lifestyle and education for their kids. Equal participation of man and women towards family life is important. We notice fights in family is because of financial issues. So, it is important for both of them to work and bring prosperity.*

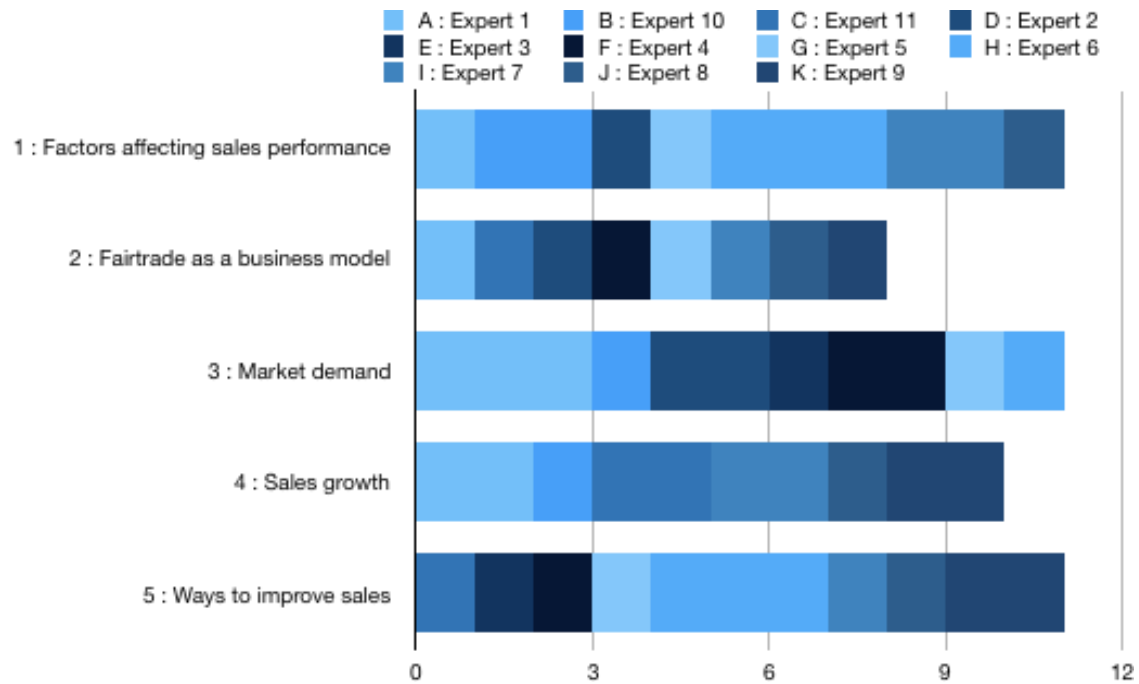
Ms F proudly expresses her feelings about the confidence she gained and the faith, she has in herself:

*As a woman my company and fair trade has given me a great confidence. I have projected gender balance. I go out form factory, I do campaign. I don't have fears, I go alone with the company driver. I speak to people with confidence. Man, and a woman should take their responsibility equally. No one should take the responsibilities for granted. Still, there are phases in woman life when she has to survive alone in this society. I believe a woman should be independent enough to struggle on her own. She should be able to survive if she is divorced or without man support. I personally believe, fair trade has given me this confidence that being on my own I can do everything for myself and survive without other support.*

The findings suggest that women empowerment is an important aspect of fair-trade agenda, and the respondents share valuable information about gender equality, discrimination, opportunities for women, and the role of women in society. The company has a policy of providing equal opportunities and rights for men and women, and women are encouraged to report any discrimination they face during work. The company also ensures a safe working environment for women by providing separate units, transport, and lunch canteen. The participants believe that equal participation of men and women is important for the prosperity of a family and society. The fair trade has given confidence to women, and they feel empowered to struggle on their own and survive without any support. Overall, the findings highlight the importance of women's empowerment in creating a fair and just society.

### 5.3.5 Sub-theme 2c: Effect on the business

The graph below shows the nodes associated with fair trade effects on business. The graph includes five nodes that explains fair trade products demanded in the international market and related challenges to it.



**Figure 19: Effect on the business**

#### 5.3.5.1 Sales growth

The respondent highlighted sales trends and growth over the past many years. They strongly believe the business cannot sustain on fair trade product sales. It brings many challenges when enough premium is not received whilst running long term projects, for instance free lunch on-site, fair price shop, free transport.

Respondent R shares:

*When our company registered with fair trade, the fair-trade production was low. However, in last few years, it is having grown. As I have already mentioned that fair trade product growth is insufficient that a business can sustain or depend on it. For example, our total fair-trade sales in comparison to total sports ball products is*

*normally between 2% to 3%. There is an unfavourable position in terms of low sales growth.*

Mr F also supports previous respondent argument:

*Initially, when we started, we had a big volume like 10% of our total sales. In 1998, I believe it was the world cup. So, soccer ball was in more demand in Europe. However, now in the market it is not in the same demand. Initially when registered as fair-trade producer. The initiative was appreciated in the international community.*

A newly registered company Respondent Mr K added their company experience:

*We hardly have few customers with limited orders. We are working with big brands like puma and some other brands. Our business of fair trade is less than 1% of the total business or sales.*

The findings suggest that fair trade production in the sports ball industry has seen some growth over the years, but it remains a small percentage of the overall sales for most companies. Participants agree that depending solely on fair trade product sales is not sustainable for the business and brings challenges in running long-term projects such as free lunch on-site, fair price shop, and free transport. The decrease in demand for soccer balls in the market has also contributed to the decrease in fair trade sales. The newly registered company has limited orders and fair trade sales constitute less than 1% of their total business or sales.

### **5.3.5.2 Market demand**

Sports product demand is another considerable debate while the respondents shared their experience Mr K adds:

*There is an unfortunate thing for fair trade sports balls demand compared to other fair-trade products such as spices, tea, coffee, banana etc. The volume of sports products compared to other rapid consumable products is very low.*

Mr H also shares the same view:

*The weak point is, we have not observed any impact on sale. We have a growth for non-fair trade but not for fair trade. We do not have any growth. If you are producing the 0.5% fair trade balls of total sale, then it is just like a peanut.*

Mr E shared his expectation before registration:

*It is not like that we thought of it. Yes, it is true that we take fair trade as business exploring opportunity, but volume was always low for sports balls and therefore we have never taken fair trade as it will boost our company revenues, or the firm can sustain on it. Our main aim in this regard is to help our workers and community.*

These findings suggest that fair trade sports balls face challenges in terms of low demand compared to other fair trade products like spices, tea, coffee, and bananas. The participants express their concerns over the low volume of fair trade sports balls and how it affects the sustainability of their business. Despite the initial appreciation from the international community, the growth of fair trade sports balls sales has been slow. However, the participants also emphasize the importance of fair trade in ensuring the well-being of workers and the community.

### **5.3.5.3 Fairtrade as a business model**

It is an important topic to debate whether fair trade can be considered a business model for the sports industry in South Asian city, Sialkot. Respondent M argues:

*It is impossible to rely on fair trade sports goods for a sports company as it is the matter of survival and sustainability.*

Mr M supports the first respondent's opinion:

*If you see the current fair trade orders ratio, it might take two decades if things go well. Somehow, it is unrealistic to say anything for now.*

Mr A shows hope by quoting an example of their extended products:

*We are already on the way; we have started 100% fair trade footwear, another product that we have started is organic fair-trade denim that is also on our next line. That is already certified by fair trade organic. so, we are converting our business to fair trade model. you can say we have already converted our 60% business to fair trade model.*

Mr F adds:

*If you see the current fair trade orders ratio, it might take two decades, only if things go well. Somehow, it is unrealistic to say anything for now.*

The participants have mixed views on whether fair trade can be considered a sustainable business model for the sports industry in Sialkot. While some argue that fair trade sales are too low to sustain a business, others see hope in expanding fair trade certification to other products such as footwear and denim. Overall, the participants acknowledge that fair trade sales currently make up a small percentage of total sales in the sports industry and that it may take time to see significant growth in fair trade orders.

#### **5.3.5.4 Factors affecting sales performance**

The respondents share a mixed opinion about modest sales figure. Mr M shares:

*The issue is the promotion of sports balls. I believe that fair trade authorities take less interest in sports balls promotions.*

Mr J shares a reason:

*The reason was the 15 percent extra cost. Sometime buyers get hesitant to pay 15 percent premium for fair trade. The buyer appreciates the fair-trade logo however it brings a fear for them by buying fair trade balls and raising their prices would affect their business in the market. This is a reason which discourages them. Even now if you see we have only one fair trade buyer from Scandinavian countries called Stadium, they have 200 plus stores.*

Mr T mentions:

*Lack of promotions, we might have not promoted sports balls properly. Fair-trade sports balls are not launched properly by fair trade organisation.*

The participants have mixed opinions about the modest sales figures of fair trade sports balls. Mr M believes that the promotion of sports balls by fair trade authorities is insufficient. Mr J points out that the extra 15% cost of fair trade products is a deterrent for some buyers. Even though buyers appreciate the fair-trade logo, the fear of raising their prices affects their business in the market. Mr T suggests that lack of promotions might be another reason for the poor sales figures.

#### **5.3.5.5 Ways to improve sales**

Respondents share ideas about how and what to improve in the fair-trade sports industry. Intensely to focus on promotions, fair trade registration documentation process, affiliation with other organisations, fair trade audit recognition and sports product awareness in the global market.

Mr M adds:

*It can also be for sports goods if they can receive enough orders, It's just the matter of focus. If we are certified for sports ball, we can make it to garments products, protective gears. Focus is strongly needed for that. All these ideas should be shared. It will bring awareness of fair-trade products*

Mr J emphasizes on the audit process:

*Yes, their second audit is very strict. There is lots of paperwork and documentation are very lengthy. Fair trade should make paperwork easier, so it can encourage other people to come forward and join fair trade*

Mr G adds on fair trade coordination with another organisation:



*Fair trade should go in coordination with FIFA or other organisation to promote fair trade. It is best platform for producers, players, and labels FIFA can be heard global and bring a strong voice.*

The participants provide valuable suggestions to improve the fair-trade sports industry, such as focusing on promotions, simplifying the registration documentation process, collaborating with other organizations like FIFA, and increasing awareness of fair-trade sports products. In fact, participants also highlight the need for more orders and better audit recognition. There is a shared perception that these ideas can help bring more attention to fair trade sports products and increase their demand in the global market.

### **5.3.6 Sub-theme 2.1c: Correlation and regression analysis**

There are two variables taken to analyse the regression analysis. The variables are known as fair trade balls (FTB) and non-fair trade balls (NFTB) sales. Here, the independent variable fair trade balls (FTB) and dependent variable is called non-fair trade balls (NFTB). The annual sales of the firms show fluctuation. An ideal sample of annual sales was taken for past 11 years. However, three of the firms joined fair trade lately. Therefore, some of the data was taken for last 2 to 4 years. One of the firms declined a request to provide with data. The data was processed on SPSS software.

The reason for conducting statistical analysis is to find the relationship between fair trade balls (FTB) and non-fair trade balls (NFTB) sales.

Hypothesis: Relationship between FTB and NFTB sales.

Ho: There is no statistically significant correlation between FTB and NFTB sales.

#### **5.3.6.1 Coefficient**

The bivariate correlation was selected. Pearson correlation coefficient was chosen as it was assumed that the variance of the two variables is equal. The goal of determining the relation between two variables was to know the effect of fair-trade sales. The independent variable is FTBS, and predictive variable is NFTB.

Ho: There is no statistically significant correlation between FTB and NFTB.

Ha: There is statistically significant correlation between FTB and NFTB.

The alternative  $H_a$  is a two-tailed hypothesis that goes both ways; either the firm is quite longstanding or a newly registered with fair trade.

The independent and dependent variables are FTB and NFTB. A standard linear regression was performed to assess impact of fair-trade sales to predict the non-fair-trade sales.

The Table 6 shows how Firm-1 FTB and NFTB sales are correlated to each other. The coefficient correlation  $R$  is .493. This coefficient provides a couple of things. First, this is a positive correlation coefficient which means there is a positive correlation between FTB and NFTB sales, when FTB sales increases then NFTB increases as well. However, regarding the strength of the relationship, this is a slightly weak correlation because it is more than 0.4 or approximate 0.5. Therefore, 0.493 is slightly a weaker correlation.

The most important part is, testing the hypothesis. As for now, only the strength and direction of coefficient are known. The significant 2 tailed gives the  $P$  value of 0.124. This is greater than 0.05, alpha level. The significance level by default is 0.05. Since  $p > .05$ , the  $H_0$  is failed to be rejected. Therefore, the null stands and  $H_a$  is rejected. That means, there are not enough evidence to mention that there is a statistically significant correlation between FTB and NFTB sales.

The same steps were repeated for the remaining four firm's sales data. The following outcomes were extracted from the SPSS data tables.

**Table 6: Firms' coefficient's result**

No. of Firms	R (Coefficient Correlation)	Correlation Positive/Negative	Strength	Hypothesis Testing
<b>Firm 1</b>	0.493	Positive	Slightly Weaker	$p = 0.124$ $p > 0.05$  Ho retained
<b>Firm 2</b>	0.760**	Positive	Stronger	$p = 0.007$ $p < 0.05$  Ho rejected
<b>Firm 3</b>	0.362	Positive	Weak	$p = 0.274$ $p > 0.05$  Ho retained
<b>Firm 4</b>	0.737	Positive	Strong	$p = 0.473$ $p > 0.05$

<b>Firm 5</b>	0.361	Positive	Weak	Ho retained p = 0.765 p > 0.05 Ho retained
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### 5.3.6.2 Regression

Further to calculate regression, same two variables are used from the data set. The purpose of moving into regression is to find out NFTB sales when FTB sales are known. The regression equation is below:

$$Y = a + b \cdot X + e$$

Y = Dependent Variable

A = Intercept (constant)

B = Slope (Regression Coefficient)

X = Independent Variable

E = error

To find out regression, it is essential to state the Null hypothesis. There are many to state null hypothesis such as,

- The null hypothesis states that variation in Y(NFTB) is unrelated to variation in X(FTB).
- Ho- The correlation between X and Y is zero.
- Ho- There is no supported relationship between X and Y.

In this regression analysis the chosen null hypothesis is, that there is no supported relationship between FTB and NFTB sales. The alternative hypothesis is not zero. As if it assumed, there is no support between FTB and NFTB sales then it is stated that regression coefficient b slope is equal to zero ( $b = 0$ ). Therefore, the alternative hypothesis Ha is not equal to zero ( $b \neq 0$ )

Regression Hypotheses	Simple Regression
<b>Ho:</b>	$b = 0$
<b>Ha:</b>	$b \neq 0$

The model summary provides R or correlation coefficient that was also calculated before. The most important here is R Square, which is .243. While it is translated in percentage, this is 24.3%; That means FTB sales count only 24.3% of the variations for NFTB. Hence, 75.7% of variation in NFTB sales, is explained by other factors. As an outcome FTB sales does not explain a lot.

- 1- In the Coefficient table, the constant is an intercept, or “a” into the regression coefficient that is 265967.209; that tells when FTBS is zero then NFTB sale is 265967.209. Practically, it does not make any sense. However, it makes sense to predict NFTB sales by FTB sales, which is where it starts.

$$\text{Intercepts (a)} = 265967.209$$

- 2- Further to FTB that how does FTB affect NFTB. The rise slop is 2.320 for each unit of FTB increase. This means, for one ball increase in FTB, the sale of NFTB will increase in 2.320 unit, increase in sale.

$$b = 2.320$$

Slop 2.320 is the unit of the increase for NFTB sales for each increase in FTB sales. the table further shows significance as 0.124. This is P value is greater than 0.05, alpha level. Therefore, the null hypothesis is retained. There is no supported relationship between FTB and NFTB sales. it means, FTB does not statistically effect NFTB sale growth.

$$P > 0.05$$

- 3- The model summary tables also show R square, which is 0.243 (24.3%) in variation, which is not a lot. Also, p value of Anova for regression is 0.124 which is not a significant value. Similarly, in coefficient table, p value for the slop is 0.124 that means this is not a statistical p value. Therefore, it is failed to reject null hypothesis (Ho) of no relationship. As a result, no relationship stands or FTB does not affect NFTB sales.
- 4- Now the most crucial task to construct regression equation regarding the null hypothesis.

Ho: There is no support relationship between FTB and NFTB sale growth ( $b = 0$ ).

$$Y = a + b * X$$

$$a = 265967.209$$

$$b = 2.320$$

X = number of FTB

$$\text{NFTB} = 265967.209 + (2.320 * \text{FTB sales})$$

Suppose it is to predict NFTB if FTB sales number is 75

$$Y = 265967.209 + (2.320 * 75)$$

$$Y = 266141.209$$

The NFTB sales for 500 FTB sales are predicted as 266141.209

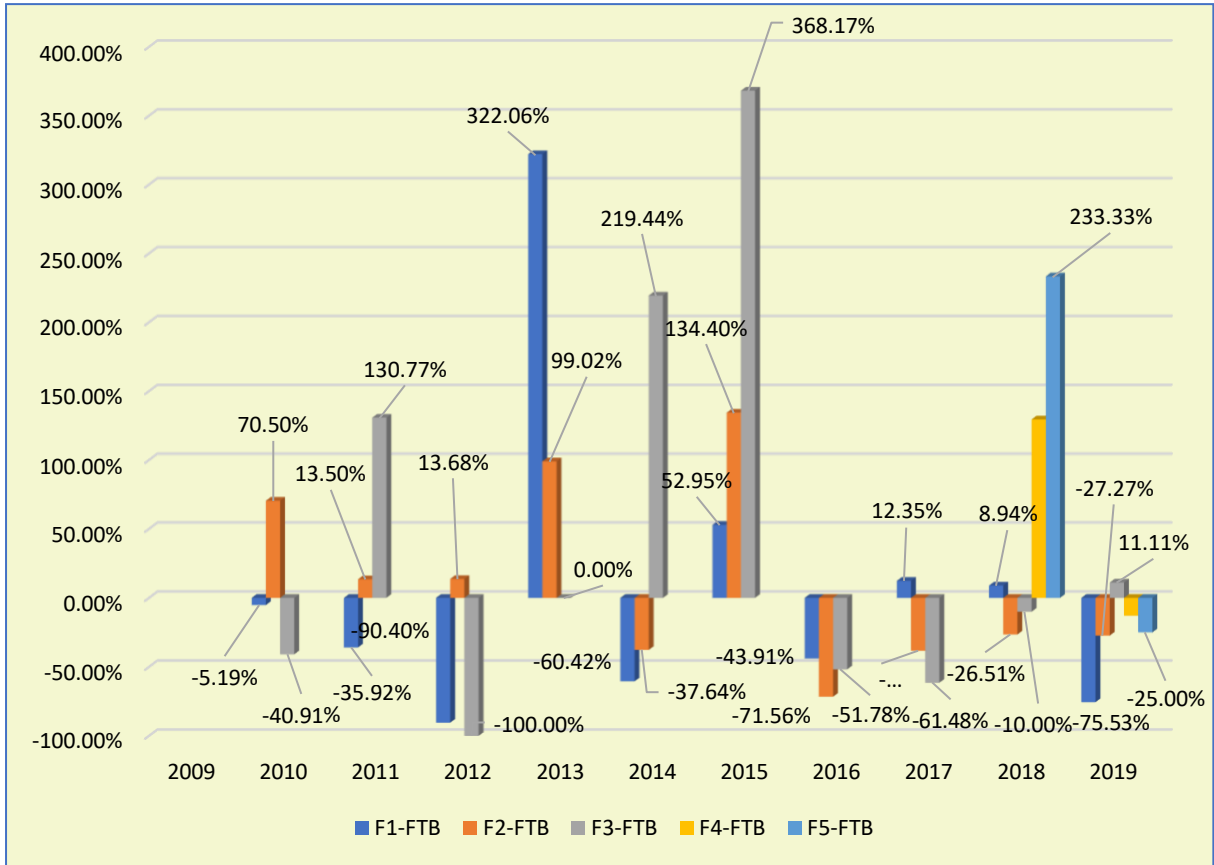
The same steps were repeated to indicate NFTB sales as shown the tables below:

**Table 7: Regression results**

No of Sr.	R (Model Summary)	R <sup>2</sup> (Model Summary)	Intercept 'a'	Slop 'b' (Unit of increase)	Significant 'p'	Regression Equation  Y= a+b*X
<b>Firm-1</b>	0.493	0.243 or 24.3%  FTB counts only 24.3% of the variation for NFTB sales	265967.209	2.320	0.124  p > 0.05  Ho retained	To predict NFTB if 75 FTB are sold  266141.209
<b>Firm-2</b>	0.760	0.577 or 57.7%  FTB counts only 57.7% of the variation for NFTB sales	104583.5181	11.819	0.007  p < 0.05  Ho rejected	To predict NFTB if 75 FTB are sold.  105469.943
<b>Firm-3</b>	0.362	0.131 or 13.1%  FTB counts only 13.1% of the variation for NFTB sales	70100.054	11.114	0.274  p > 0.05  Ho retained	To predict NFTB if 75 FTB are sold.  70933.604
<b>Firm-4</b>	0.737	0.543 or 54.3%  FTB counts only 54.3% of the variation for NFTB sales	45421.664	2.713	0.473  p > 0.05  Ho retained	To predict NFTB if 75 FTB are sold  45625.139

<b>Firm-5</b>	0.361	0.131 or 13.1%	50195.364	1.368	0.765	To predict
		FTB counts only			p > 0.05	NFTB if 75
		13.1% of the			Ho retained	FTB are sold
		variation for				50297.964
		<u>NFTB sales</u>				

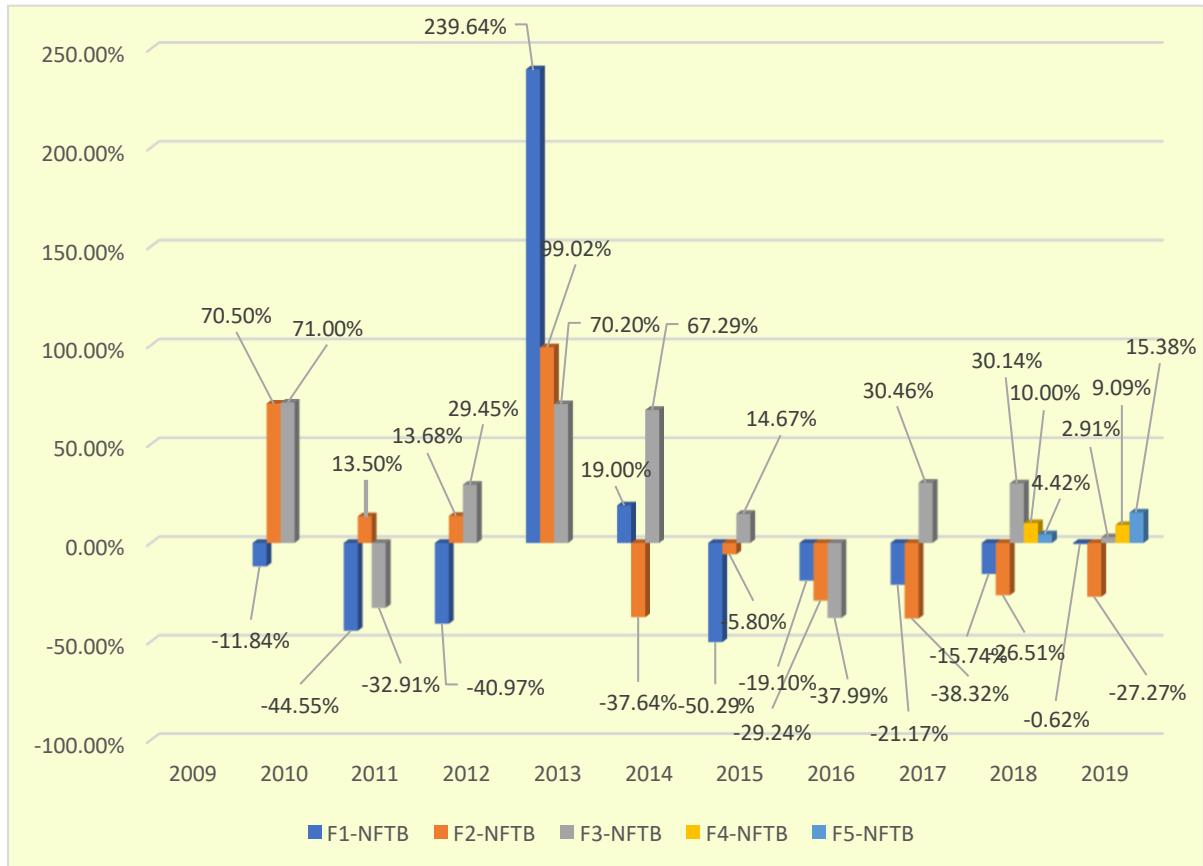
**5.3.6.3 Sales trends of Fairtrade sports balls**



**Figure 20: Fair trade sports ball annual sales growth** (Source: Author)

The graph above shows the Fairtrade sports balls 10 years sales growth of five firms from 2010 to 2019 for three initially registered companies. For newly registered companies the only 2018 and 2019 shows the sales trend. The ten years sales growth within five firms show highest number of sales of firm 3 in 2015 followed by firm 2 in year 2013. The newly Fairtrade registered firms 4 and 5 show an excellent start. This can be an appreciation from international clients to encourage more firms. Certain sudden gains show the high demand or long-term business partnership with international firms Overall the ten years tenure of Sialkot sports industry show mix trends in Fairtrade balls market growth

### 5.3.6.4 Sales trends of conventional sports balls



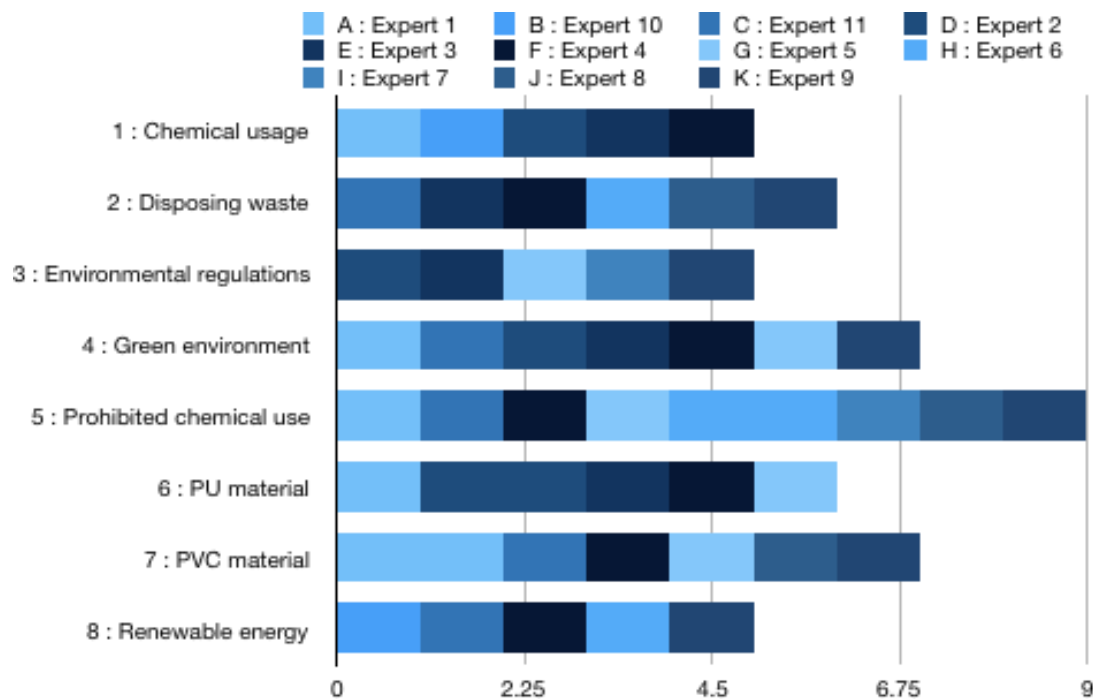
**Figure 21: Non fair-trade sports ball annual sales growth** (Source: Author)

The graph above shows the conventional sports balls 10 years sales growth of five firms from 2010 to 2019 for three initially registered companies. In 10 years, period, the firm-1 shows the highest growth in 2013 whereas the firm-3 shows the lowest group in 2019. Firm-3 shows a repeated decline in growth in between 2014 and 2019; followed by firm-1 between 2015 and 2019. The newly Fairtrade registered firms show a small growth increase in 2018 and 2019. Overall, the ten years tenure shows a weak sales growth of Sialkot sports industry conventional balls.

### 5.3.7 Sub-theme 2d: Efforts to protect environment

The figure below highlights the key nodes of efforts to protect environment. The theme includes eight nodes that shed the light on various environmental aspect associated with sports industry. The findings explain the chemical usage in the industry and methods to

dispose the industrial waste especially liquid to keep their environmental commitments and protect marine life.



**Figure 22: Efforts to protect environment**

The respondents describe how their companies are taking measures to protect the environment and safely dispose the factory chemical and other waste. It shows how the companies tackle the chemical waste issue and protect the environment.

### 5.3.7.1 Prohibited chemical use

Sports balls production process contains some essential chemicals. The respondents added that they follow certain strict standards to avoid harmful chemicals. The respondent M. shares that:

*We do not use banned chemicals. Even if the factory has to bear extra cost. We still prefer to use less harmful chemicals.*

Mr J further elaborates:

*Our norms are not just limited to fair trade policies. Majority of our clients or export goes to EU and USA. Therefore, we follow all the strict environmental standard set by*



*EU regarding chemicals. Any material or chemical that is banned in EU, we do not use them in our factory or in production process such as in printing inks or PVC. Whatever limited toxins are in those material as per EU signed agreement. Those fair-trade requirement in the material is same as EU.*

The participants emphasize the importance of adhering to strict standards regarding the use of chemicals in the production process of sports balls. They mention that they do not use banned chemicals and prefer to use less harmful ones, even if it means incurring extra costs. They also highlight the importance of following environmental standards set by the EU as most of their clients and exports go to EU and USA. It emerges that the companies ensure that any material or chemical used in their factory or production process complies with the EU's standards, and they do not use any banned materials or chemicals. Participants also mention that they follow fair-trade requirements that are the same as those set by the EU.

#### **5.3.7.2 Chemical usage**

The respondents quoted that there is a limited use of chemical in sports balls production. They further highlighted the way companies dispose their chemical waste.

Mr F says:

*In general, there is a very minor use of chemical in sports balls. Still, if we use a chemical for washing purpose then for that we follow certain parameters to make sure quality of usage that would affect the soil or environment.*

Mr D also adds:

*On environment we have not worked as yet. Luckily, our product has no disturbance on environment. Whatever waste we have, we sell it on vendors. We do not use any chemical that can cause damage to the environment or community.*

*Other than that, some chemicals are used as inks. We are working on it. We are replacing solvent-based ink to water-based ink. So, there will be no use of chemicals instead the ink will be based on water. It is good achievement that we have reached to*

*the advance level. Other than these two things, there is no use of chemical in sports balls industry that can affect the environment or create an issue to dispose.*

The participants have the perception that the sports balls production process involves limited use of chemicals and that they follow strict parameters to ensure that the use of chemicals does not affect the environment. Participants also highlighted the importance of properly disposing of chemical waste and how their companies are working towards using more environmentally friendly materials, such as water-based ink. Additionally, they have emphasized that their products have no significant negative impact on the environment and that any waste produced is sold to vendors.

### **5.3.7.3 Disposing waste**

Respondents said that their company chemical waste does not go into the river. However, vendors collect it. Further, that chemical is used in the brick industry. Some of the respondents also highlighted that how sports industry is moving from hand stitching to machine stitching to avoid chemical waste.

Mr F mentions:

*Vendors collect our waste. We do not dispose our production waste to river or factory surrounded land.*

Mr K supports the same argument:

*Our vendors take the waste. They are approved vender from government.*

Mr J adds:

*Regarding disposing wastage, we have moved from hand stitched to machine stitching. The change of technology brought a benefit that machine stitching produces low wastage.*

Mr D says:

*We have a vender; they take all the waste from us. Further, they utilise the wastage in brick making. It becomes fuel for brick making industry.*

The participants emphasized that their company's chemical waste is not disposed of in the river or in the surrounding land. Instead, participant's companied collect the waste and send it to vendors that are approved who utilize it in the brick industry as fuel. Participants also highlighted the shift in the sports industry from hand stitching to machine stitching, which produces less waste.

#### **5.3.7.4 Renewable energy**

The respondent said that they are trying to adopt new ways to protect the environment such as solar panel to avoid unnecessary electricity generators. Mr S added

*One of the environmental aspects we are looking at, is to move to solar panel. Like if we use electricity generator. It will protect from generating emissions. Solar panel will bring an idea of using natural resource for electricity and avoid unnecessary emission from generators. It will be a high cost to impalement solar system. So far as such there is no emphasis on environment from fair trade.*

Mr T says:

*Regarding energy demand, we are in process to adopt modern technology either renewable energy or solar system.*

The participants are discussing their efforts to adopt new ways to protect the environment. In fact, participants mention using solar panels as an alternative to electricity generators, which would help reduce emissions and use natural resources for electricity. However, participants also acknowledge that implementing a solar system may come at a high cost. They also mention that they are in the process of adopting modern technology, such as renewable energy or solar systems, to meet their energy demand. Participants note that fair trade currently does not emphasize environmental aspects.

### 5.3.7.5 Environmental regulations

The respondents share rare understanding of environment policy. They explain the environmental code that is applied on in Pakistan and use of chemical that contains hazardous toxins. Mr J added:

*You know the fair-trade code applicable on Pakistan those are European directed because most of the production goes to Europe. They have already REACH standards, list of content of very high consent, RSL (restricted substances list). So, these are already applicable on Pakistan. In the past, there was an edge of fair trade standards that it has a good environmental standard for the environment but now a days, we have compulsory standards from Europe. Those are less or more the equal to the fair-trade environment clauses. Due to the European standards, we cannot export containing those restricted substances. so fair trade is advising more or less the same. The regulatory requirements are also equal or somehow higher than fair trade standards. so fair-trade producers have to comply with both the standards, European and fair-trade standards. So, in a way, working under fair trade standards producers are also contributing to the clean environment because there must be a procedure for handling the solid and liquid waste, according to the Pakistan Environment Protection Authority (PEPA). So, we have also national standards which also derived from WHO or UN standards. Therefore, we have very high local legislation where we have to comply to those standards.*

Mr E adds:

*We do not use hazardous chemicals in our factory or production processes, such as printing ink or PVC. The limited hazardous substances in that material are as per the EU signed agreement. That fair-trade requirement in the material is the same as EU.*

It emerges that the participants have a good understanding of the environmental policies and regulations that are applicable in Pakistan, particularly those related to fair trade. In fact, participants mention that the European-directed fair-trade code is already applied in Pakistan, and that producers must comply with both European and fair-trade standards to export their products. Further, participants also mention the strict national legislation derived from WHO or UN standards that producers must comply with. Additionally, the participants emphasize

that they do not use hazardous chemicals in their factory or production processes, and that the limited hazardous substances in the materials they use are as per the EU signed agreement, which is the same as the fair-trade requirement.

#### **5.3.8.6 Green environment**

The respondents share their factory's measurements taken to protect the surrounding environment. Also, the way they ensure a safe and healthy working condition. Some respondents also brought hurdles to attention, a barrier for applying safe working conditions.

Mr T added:

*We try to keep our site green, and we have already run a green campaign in the past and are trying to plant more trees on site.*

Mr P shared similar views:

*We discourage plastic use on our premises. We encourage plantations around the factory area.*

Mr Q criticises fair trade premium that does not help to provide sufficient, safe working conditions:

*The current premium doesn't allow us to look after all the environmental requirements. Since it is an audit requirement, we have to fill it such as emergency exit, fresh air access in product units and identified paths in factory units.*

Mr F said:

*Further to the environment, the vehicle or generators we use. We arrange testing on regular bases to make sure it is affecting the air level or being a hazard to workers' health.*

The participants shared their efforts to protect the environment and ensure safe working conditions in their factory. These efforts include planting trees, discouraging plastic use, and conducting regular testing of vehicles and generators to prevent air pollution. However, some participants also highlighted the limitations of the fair trade premium in providing sufficient support for environmental and safety requirements. The requirement to fill audits for emergency exits, fresh air access, and identified paths in factory units was mentioned as a barrier to implementing safe working conditions.

#### **5.3.8.7 PU (Polyurethane) materials**

The respondents share the production material facts. One of the respondents showed the ball while explaining about Polyurethane that the upper layer of the ball is made of PU. Most factories are moving to PU for sports ball production. As Mr M added:

*We have almost shifted our production to polyurethane (PU), where no harmful substance exists. As you can see from this ball, the upper material used in the ball is the PU.*

Phthalates are a group of chemicals used to make plastics more durable. They are often called plasticisers. Some phthalates are used to help dissolve other materials. Further, Mr M explains:

*In this regard, I will not just talk about fair trade, over all the industry is itself working in multi-dimensions. In sports balls industry, the chemical used as “phthalate”. We import this chemical compound. Thus, those phthalates are used to make PU or unfriendly chemicals. We are in the process to make sure, not to purchase unfriendly chemicals. For that we perform a laboratory test to buy phthalate free PU.*

Mr S takes about the PU as hazard:

*Eventually, PU creates a ball, and that ball is later used by children and adults. Therefore, we make sure PU is phthalate free.*

Participants mention that most factories are shifting towards using Polyurethane (PU) instead of other harmful materials, and one respondent even showed a ball made of PU. However,

participants also discuss the use of phthalates, which are chemicals used to make plastics more durable, but can be harmful. Participants mention that they import this chemical compound and are in the process of ensuring that the PU they use is phthalate-free, as they are concerned about the safety of the balls, which are used by children and adults.

### 5.3.8.8 PVC (Polyvinyl Chloride) material

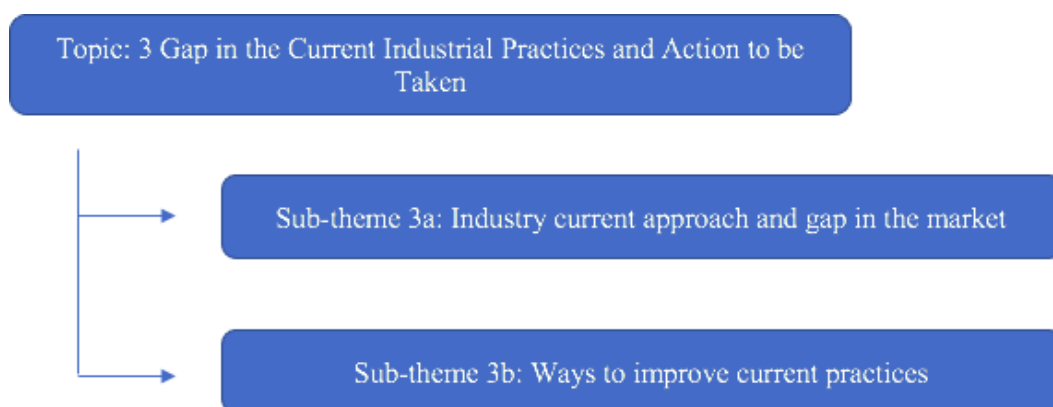
PVC is general known for its hardness property in chemistry. It is used in the outer layer of the lower quality balls. Mr. M adds:

*In sports balls category, we hardly produce any PVC balls. It is a synthetic leather. In PVC (polyvinyl chloride) there are some substances which can be harmful for workers health.*

The extract indicates that PVC is not commonly used in the production of sports balls and is of lower quality. The reason for this is that PVC contains harmful substances that can pose a risk to workers' health. Instead, synthetic leather is used in the production of sports balls as it is a safer alternative.

## 5.6 Topic: 3 Gap in the Current Industrial Practices and Action to be Taken

In figure 22, the main theme is " Gap in the Current Industrial Practices and Action to be Taken and it is further divided into two subthemes: Industry current approach and gap in the market and, Ways to improve current practices.



**Figure 23: Thematic analytics tree diagram of theme three** (Source: Author)

### **5.6.1 Sub-theme 3a: Industry current approach and gap in the market**

The graph below shows industry current approach and gap in the market. The graph includes eleven nodes that explain various practices, that effect organisational performance of the sports industry.

**Figure 24: Industry current approach and gap in the market**

#### **5.6.1.1 R and D**

Research and development occur across various organisations despite the organisation size. It is worth mentioning, R & D is not limited to intense industries such as pharmaceutical, software or tech, sciences, and automations. It also plays an important role in manufacturing industry. The main aim of the R and D is to achieve goals and objectives, and to identify the issues and explore the new opportunities. Since there are six fair trade firms in Sialkot city, two firms are medium, and four firms are larger firms that runs multiples stitching unit in the city. Mr M from a larger firm elaborates on R and D:



*We are working on R and D. However, so far, we do not have an R and D department or experts. I have always been mentioning the importance of R and D in our management meetings. I am hopeful to implement this idea.*

Mr F narrates:

*R and D is an important area to consider for our business. Unfortunately, our firm is focused on R and D at the moment.*

The extracts highlight the crucial role of government support in fostering industrial growth, especially in the sports industry. Participants point out the need for specific measures such as removing import taxes on raw materials and providing subsidies to key industries. Without such support, industries in Pakistan could face barriers in competing with other countries in the international market, particularly with high energy prices. The import tax on raw materials is also a concern as it could lead to raising prices of sports balls, affecting the industry's competitiveness. These extracts underscore the importance of government policies and incentives in promoting industrial development and fostering economic growth.

#### **5.6.1.2 Use of social media**

In present era nobody can deny the importance of social media. It is a useful platform to reach out your target customer at affordable and effective rate. The Sialkot sport industry is facing fair trade product marking issues whereas social media can play an important role to target ethical consumer. Mr M shares his opinion.

*We do not use social media for our product promotion. It is not needed as we have our loyal customer, and they are doing business with for years now.*

Mr D adds:

*It is fair trade responsibility to promote fair trade sports balls. Our job is to produce a quality ball.*

The participants highlight the importance of social media in reaching out to target customers at an affordable and effective rate. However, some members of the Sialkot sports industry, such as Mr. M, do not believe that social media promotion is necessary as they already have loyal customers. There is a perception that promoting fair trade sports balls is the responsibility of fair trade organizations, and the industry's focus should be on producing quality balls.

### **5.6.1.3 Storytelling posts**

The power of storytelling is a widespread practice in welfare projects. It allows ethical consumers to get involved emotionally to achieve common goals. A fair-trade scheme involves premium projects showing consumers how their premium money changes labours' livelihood. Mr W shares his opinion.

*Storytelling is a brilliant idea. Unfortunately, we have not worked on it.*

Mr S added

*This is something we have never explored.*

There is a shared understanding of the potential of storytelling in fair-trade projects to emotionally engage ethical consumers and achieve common goals. However, the participants note that they have not yet explored this approach more deeply in their industry.

### **5.6.1.4 Business without a website**

There is a denial that a website creates a business's first impression. Any business without a website raises a question about the company's legitimacy. Mr M explains a reason behind no website for their business:

*We do not need a website. We already have a few international clients; they also book orders with it.*

Mr S shares the similar view:

*We have a team, only they communicate with our present international client through emails and calls. As they understand our client needs better than other staff. We are looking into a responsive website.*

Participants have a positive perception about having a website for a business. Participants stress that a website creates a business's first impression and that any business without a website raises questions about the company's legitimacy. However, Mr. M and Mr. S shared their views that their businesses already have a few international clients who book orders through emails and calls. They also mentioned that they are looking into developing a responsive website to cater to their clients' needs better.

#### **5.6.1.5 Current taxation system**

The respondents shared their concerns over raw materials' recently applied import tax. They further highlight the refund process as a complicated route interrupting the company's cash flow. Respondent K explains the import tax:

*Recently, the government has applied import duty on raw material which is 17%. Whereas there was no sales tax on importing raw material. It means whatever raw material we import; we will have to pay 17% sales tax on it. Though the government is also introducing the refund process. It was same applied sales tax system before 2011. At the time, we would apply for a refund after a year. On most occasion, the tax department was struggling to refund the money because of no sufficient funds. Moreover, the tax department would ask for an audit and raise some objection. All these barriers to receive a refund were like delaying tactics. The chamber of commerce tried to convince government to take off applied tax policy on raw material. That helped sports industry to avoid complicated refund process.*

*Whereas it is the biggest challenge to pay 17% import tax. This would eventually bring an impact of product price. That would risk losing our clients.*

Respondent M shares his worries about the refund mechanism that could take a year or two to receive the paid import tax. The industry could face a disturbance in their cash flow. As a result,

the industry can raise the product prices. It makes them worried that their buyer might switch to competitors in neighbouring countries.

*The government says they will refund the 17% tax, but the thing is it takes time, could be one year or two. Our money will be stuck. It makes a difference in cashflow  
The prices will go higher, buyer can switch to other countries. For sure when they buyer will get quotation from other countries, they will give a reason of cheaper prices from China, Vietnam, or Bangladesh. But our main competitor is China.*

Mr M added importing raw material challenges:

*First challenge is to import raw material. Our country is not import friendly. we import all the raw materials that we use in production of sports ball. We do value addition to the raw material and give final look as a quality sports ball. Since now the government applied customer duty on importing raw material that is another big challenge to deal with. Then it comes to production cost, fuel price, energy prices, labour cost is gone higher.*

The participants express their concerns over the recently applied 17% import tax on raw materials and the complicated refund process, which can interrupt the industry's cash flow. The import tax would increase the production cost and eventually lead to higher product prices, which could risk losing clients to competitors in neighbouring countries. Respondent K explains the import tax policy and the challenges of receiving a refund, while Mr M highlights the difficulties in importing raw materials and the increased production cost due to high fuel, energy, and labour costs. There is a perception that the government should remove the import tax on raw materials to support the sports industry's growth.

#### **5.6.1.6 Currency depreciation**

Pakistan is facing economic crisis, political instability, and security concerns. There is also risk aversion among investors. Such issues impact currency stability. Its rapid fluctuation affects the country major exports. In this regard, Mr Y finds it challenging to sustain in the international market, Rupee is the local currency of Pakistan:

*Rupee value is declining day by day. Therefore, prices of raw material are going higher. As a result, it is getting harder to sustain in the international market.*

Mr M stresses on rubber bladder import challenges:

*The local currency value fluctuates rapidly. Currency depreciation makes it difficult to pay high price for raw material from China.*

The extracts highlight the challenges faced by the Pakistani economy, including economic crisis, political instability, security concerns, and risk aversion among investors. These issues have had a significant impact on the stability of the Pakistani currency, the rupee, leading to rapid fluctuations that affect major exports. Mr. Y notes that the declining value of the rupee makes it harder to sustain in the international market due to the higher prices of raw materials. Mr. M adds that the import of rubber bladders is a particular challenge due to the fluctuation of the local currency and the difficulty in paying high prices for raw materials from China. There is a shared understanding that these challenges create obstacles for businesses in the sports industry in Pakistan, which must navigate difficult economic conditions and currency fluctuations to remain competitive in the global market.

#### **5.6.1.7 Energy prices and shortfall**

The respondents share their experience of electricity load shedding that disturbed stitching unit production. The country has failed to meet the rising demand for power energy for numerous reasons that includes an overreliance on fossil fuels for power generation, swelling oil prices, climate change, insufficient energy resources and lacking technological development. Mr K highlights the cost of the energy:

*In past we had electricity load shedding issues. As an alternative, it is impossible to use generators for long hours. In regard to electricity shortfall, energy supply is getting better. however, the cost is quite high.*

Mr F also argue about the price of the electricity:

*In Pakistan, for mechanical operation electricity price is a challenge. As we have estimated that at the price of utility in Pakistan, we can import the rubber bladders from China or Taiwan. This is another big challenge for the local industry.*

Mr J stresses on insufficient support from the Government:

*In comparison to our neighbouring countries such as Bangladesh. Their governments facilitate them with subsidies and facilities. We were badly affected by the electricity loading shedding in previous years. Labour is comparatively expensive in our country as inflation is very high.*

The extracts highlight the electricity load shedding issues in Pakistan that have disturbed the production units, especially the stitching units. The country is struggling to meet the increasing demand for power energy due to several factors such as reliance on fossil fuels, high oil prices, and climate change. The participants have shared their concerns about the high cost of energy, which affects the mechanical operation and overall cost of production. They also express the insufficient support from the government in providing subsidies and facilities to the local industry. The challenges faced by the industry, such as high energy costs and insufficient government support, may lead to an increase in import and loss of competitiveness in the international market.

#### **5.6.1.8 Outdated technology**

The respondent's emphasis on the importance of the technology. It is a universal fact that updated technology saves time and expenses in any industry. The participants believe that sports industry has changed rapidly and access to latest machines can change their production growth. Mr M adds:

*It is obvious that technology has changed, so is customer demand. It is challenging for our industry to update the technology while avoiding the international patents. For example, some mechanical process to manufacturer a football, has its own mechanical technique. Such technique is patented by known brands for about 20 years ago. At that time no one had a clue of change in technology. Sometime to avoid such copyrights can be fairly challenging.*

Mr F highlighted the overall industrial growth in past few years and how machine-made balls are affecting their industry exports:

*For past few years, overall export business has gone down that includes leather products, surgical equipment, handy craft etcetera. Our handmade products can be costly. Whereas machine made products are cheaper. These days alternative option to leather jackets is light weight fabric. That is affecting the export of leather products. We do not have the same advanced technology compared to other countries.*

Mr P narrates the rapid industrial growth in terms of technology:

*I agree to some extent about technology. However, I believe the sports ball industry also has changed. Earlier, it was a hand stitched ball. Most people were engaged in hand stitched ball. Now it is converted to machine stitching to make hyper and thermal balls. When balls were stitched by hand, it was more beneficial for workers. Although, hand stitching was a time-consuming process, and each worker would stitch around 5 balls a day. However, with advancement in technology, machine stitching has taken the place. Through machine stitching the production per day have grown as well.*

The participants are discussing the importance of technology in the sports industry and how it can improve production growth while reducing time and expenses. However, they also mention challenges such as international patents that limit access to advanced technology. Mr F highlights how machine-made products are affecting the industry's exports and how other countries have more advanced technology. Mr P talks about the transition from hand-stitched to machine-stitched balls, which has increased production per day but also affected workers who used to stitch by hand.

#### **5.6.1.9 Focus of the industry**

The respondents explained one of the important reasons that push sports producers to register under fair trade. Also, they highlighted the importance of log that helps to create a better image of their practices. Mr M explained the reason behinds their factory to get fair trade

registration; the main purpose was workers welfare. However, it also helps as a marketing tool.

*There is another reason, to register under fair trade. Fair trade is also a marketing tool. When we participate in international exhibition, then this label supports us to present our firm as a responsible company. That means, we follow social and ethical values. It has an effect as buyers come for fair trade. When they realise that for fair trade products there is extra charge of 15% premium. They consider their budget and if it is not affordable then the client at least places their order for regular balls. This gives us an advantage that buyer get a perception of producing quality balls and follow social and ethical standards. That is where we get a marketing edge. We do not get enough fair-trade business, but we are getting more non fair-trade business because of the fair-trade logo. in short, the label helps us to get more orders.*

In contrast to Mr M opinion, Mr W company has a different experience. It is important to note that Mr W company is the pioneer firm registered under fair trade in the South Asia. Due to this, it provided them the advantage of creating a strong relationship with big brands. That still helps the company to sustain a significant amount of sports goods export.

Mr W shares:

*Actually, our main business is with big brands. We do not see a major impact on our regular product sales in relation to fair trade logo. As our main business is to export regular balls. Therefore, I do not think that fair trade brings some impact for such sales growth. However, when we go to exhibition in Munich. Sometimes, customer does not acknowledge the fair label. They appreciate it inside and create a positive image of the brand. I can say, it also brings more business if you take it this way.*

The participants discuss the advantages of registering for fair trade in the sports industry. Mr M emphasizes the importance of fair trade registration for workers' welfare and as a marketing tool. He explains that fair trade certification creates a positive image of their firm, indicating that they follow social and ethical standards. This label also helps in international exhibitions and attracts buyers who are willing to pay extra for fair trade products. Mr W, on the other hand, has a different experience. He believes that fair trade does not have a significant impact on regular product sales, but it helps to create a positive image of the brand in international



exhibitions and build strong relationships with big brands. In summary, fair trade certification can serve as a marketing tool and can have a positive impact on a brand's image in the international market.

#### **5.6.1.10 Risk of losing clients if prices go higher**

The current business climate is facing some major challenges such as newly applied 17% import tax on raw material, insufficient power resources and increasing demand, and pricey electricity. This extra load can push the industry to raise product prices. As an outcome, this brings fear in the local big to small producer for losing their clients. The industry is struggling to compete with neighbouring countries competitor where they are privileged with government subsidies and special power supply tariff. Mr U defends his concerns that how a small price raise can affect their relationship with present clients:

*One of the know international brand is presently receiving 600,000 training balls a month from a local big producer. Also, they are buying thermos balls 25 to 30 thousand a month. Suppose the cost of these orders are 2 million dollars. If the brand has to pay 10% extra on 2million dollar that would be a huge amount. It is obvious that the brand will not pay this price. Consequently, they will look for an alternate option. Once a buyer is gone from our country, will never revert. This brand is doing business from Sialkot for last 15 year since it is not easy for such a big buyer to change its production stream. However, once the brand has moved to another country, it will be impossible make any deal with them.*

Mr R further adds an example to support Mr U concern:

*Same situation happened with a local big producer. Scandinavian brand was ordering products from them for past 6 or 7 years. Even we were after that brand to try our products, but they were not interested. Unless they faced issues of quality and late shipment with them. As a result, they decided to make orders with our firm.*

Mr F also adds:

*Presently, it is challenging to keep the present business tariff. The government applied 17% custom tax on importing raw materials. In order to meet the market requirement. It is likely the products prices will raise. However, there is chance by raising the process we might lose our international clients.*

Mr U is concerned that even a small price increase could cause clients to look for alternate options, resulting in a loss of business. He cites the example of a big international brand that has been doing business in Sialkot for 15 years and may not pay the extra cost of 10% on their orders. Mr R shares an example of how a Scandinavian brand stopped ordering from a local big producer due to quality and late shipment issues. Mr F highlights the difficulty of keeping prices stable due to the imposed custom tax, and how raising prices may result in losing international clients. Overall, there is a shared understanding that industry is struggling to compete with neighbouring countries where government subsidies and special power supply tariffs are available to support them.

#### **5.6.1.11 Security issues**

The respondent shares their experience, how badly law and order situation affected the country export and small cottage industry. Foreigner were hesitant to visit the factories and place order on site. The industry made an extra effort to capture new clients, the producer would send sample balls to the foreign countries to overcome the quality and performance worries. Mr D focus on the inspiring facts that big producer had to take to keep their export flowing:

*We have been facing many challenges for over a decade. Security was one of the critical issues. If you look few years back, international clients were uncomfortable to travel to Pakistan for their safety concerns. As a result, it was not possible to discuss business development. Some major producers would conduct meetings in Dubai, Turkey, or Sri Lanka. In contrast, small producers as you know Sialkot have big cottage industry, were unable to afford such business arrangements. However, the situation has improved and most of the clients are happy to travel and place their orders at site.*

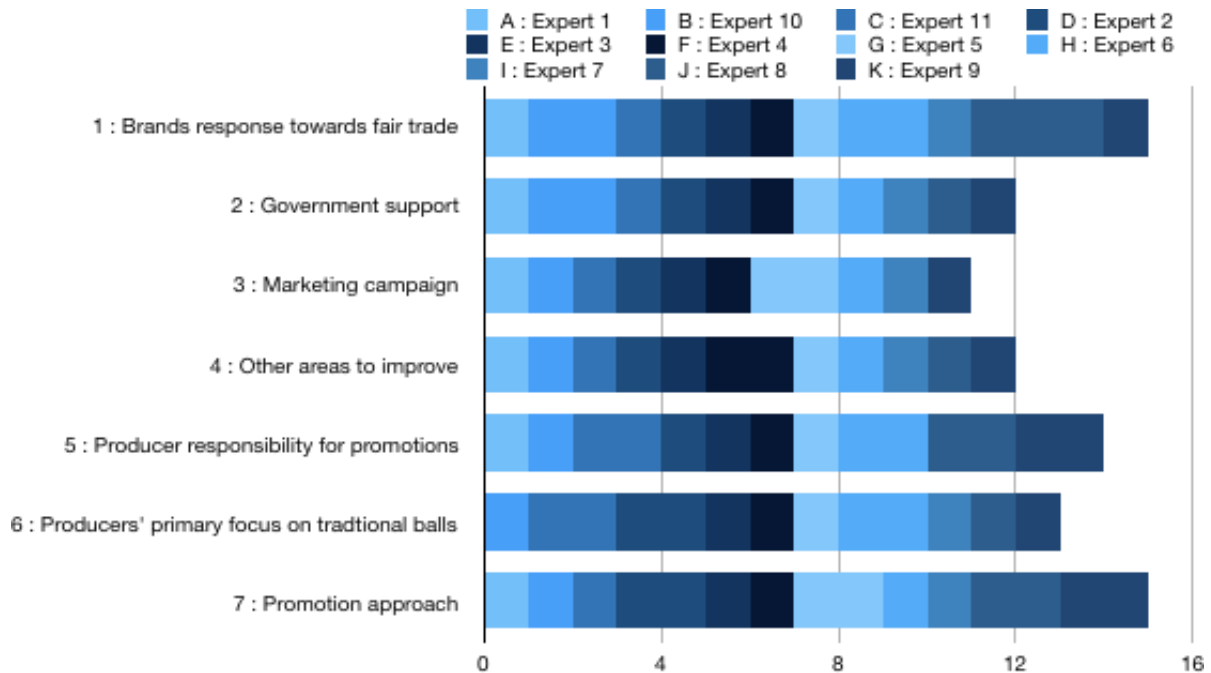
Mr Y also added that how an unsafe country image can destroy the economic growth:

*Unfortunately, after 9/11 some safety concerns were raised about our country globally. It impacted our industry badly. As majority of clients were reluctant to travel. It was a challenging position to capture new clients. We kept the business with old clients during that hard time.*

The extracts highlight the challenges faced by the Pakistani export industry due to security issues in the country. There is a perception that foreign clients were hesitant to visit the factories, and the small cottage industry struggled to afford the cost of conducting business meetings in other countries. The big producers made extra efforts to capture new clients, such as sending sample balls to foreign countries to overcome quality and performance concerns. However, the situation has improved over time, and most clients are now willing to travel to Pakistan to place their orders on-site. The participants stress the importance of a safe country image, as an unsafe image can negatively impact the economic growth of the country.

### 5.6.2 Sub-theme 3b: Ways to improve current practices

The following diagram presents key strategies for enhancing existing practices and effectively competing in the global market. Comprising of seven nodes, the graph highlights the primary areas that require attention and focus.



**Figure 25: Ways to improve current practices**

### 5.6.2.1 Brands response towards fair trade

Respondents share their experiences of dealing with well-known brands and their response towards fair trade sports product. Many of them believe their social standards are higher than fair trade principles. Hence, they prefer not to include fair trade label on their products or purchase fair trade labelled balls. Another issue is brands prefer not to pay premium on sports balls to avoid extra cost. Mr M added

*Once I had the opportunity to speak to a known German brand. I asked them why they do not promote fair trade balls. Their response was that their social standards are much higher than fair trade. Therefore, they believe it is not needed. That brand is itself known as social and ethical brand.*

This extract describes a conversation with a well-known German brand regarding their promotion of fair trade soccer balls. The participants responded that they believe their social standards are higher than fair trade standards, and therefore they do not see the need to promote fair trade products. However, it is interesting to note that this brand is already recognized as a social and ethical brand, implying that they have their own internal standards for social responsibility.

Mr F shares:

*The main problem is that brands do not approach openly to trade with an ethical labelled producer. The reason behind this is that they do not want to pay extra 15% premium on their purchase. In soccer industry customers compete for cents discounts. It is all about getting the margin for savings. With ethical label if you ask for 15% extra premium whilst they struggle to save cents, it is very unlikely that they would prefer fair trade products. There is no denial that they appreciate the ethical practices.*

Mr. F suggests that brands are hesitant to trade with ethical producers due to the extra cost of purchasing products with ethical labels. Mr. F explains that in the soccer industry, customers are always looking for the smallest discount and saving margins is a priority. Therefore, when faced with the option of paying an additional 15% premium for fair trade products, brands may

choose to prioritize cost savings over ethical responsibility. However, Mr. F acknowledges that brands do appreciate ethical practices.

Mr E believes, big brands can play a vital role to promote fair trade sports balls:

*All the big brands like Nike, Adidas, Arima, Picasa; they are not into fair trade business. This is another big reason that people have no awareness about fair trade sports balls industry. If the big brands come for fair trade balls, they will promote on a different level.*

Mr. E suggests that big brands like Nike, Adidas, Arima, and Picasa could play a vital role in promoting fair trade sports balls. Mr. E believes that the reason people are unaware of the fair trade sports ball industry is because big brands are not involved in it. He suggests that if big brands were to promote and sell fair trade products, it would raise awareness and encourage more people to buy fair trade products.

#### **5.6.2.2 Promotion approach**

Respondents compare the fair-trade attitude towards other products and sports balls. Some respondents believe the weak promotion of sports balls is the lack of fair-trade interest in the sports industry. The efforts to promote fair trade balls come from local producers attending the international exhibition, particularly in Munich. In contrast, they believe fair trade and NFO should come forward to make a big voice. Mr M raises his concern for fair trade:

*They promote fair coffee, banana, tea, and dry fruits but do not make enough effort for balls promotions. The sports ball sector is either a small sector or with limited users. This can be a reason for the lack of interest in sports balls. Fairtrade should include sports ball products in their general promotion campaigns. Promotion is a prevalent issue agreed upon by many companies.*

Mr A shares their efforts to convince fair trade to promote sports products:

*We pushed fair trade to promote their label. Still, unfortunately, there was no competent team in the appropriate trade organisation that could attend international forums and*

*increase awareness of the product production process, working conditions, raw materials, and demand for football. Things did not go in the right direction. Still, we have done much for our workers' welfare and product promotion.*

Mr M shares his experience of making efforts to promote sports goods and shares his ideas that sports-loving people should be products manager in NFOs to run successful campaigns.

*I have been representing the NIP (Network of industrial Producers). Also, I have been associated with the board for four years. I took a few steps and tried to manage the producer and consumer society. I found out that a lot of work needs to be done. Fairtrade International has to be motivated, particularly NFOs (National fair-trade organisations). Unfortunately, in the countries where sports products are in demand, their NFOs are led by people with their interests. Suppose a person is leading NFO in Germany, France, or Scandinavian countries. They are coffee-loving people. They have developed the coffee market in Brazil and Costa Rica. Thus, they are convinced of the promotion of coffee in their society. Since they are not the athletes themselves. Therefore, they are not aware of the strategy to promote sports goods. That is where it affects sports product marketing.*

Mr D adds:

*More awareness is needed for fair trade premium money. Customers should know how their contribution to appropriate trade products make a difference in labours' life.*

The participants in this discussion are comparing the promotion of fair trade in different industries and expressing their opinions on the lack of promotion of fair trade sports balls. Some believe that the limited interest in sports balls may be a reason for this, while others suggest that fair trade should include sports balls in their general promotion campaigns. However, the lack of a competent team in the appropriate trade organizations to attend international forums and increase awareness has been a barrier to promoting fair trade sports balls. Mr. M believes that sports-loving people should be product managers in National Fair Trade Organizations (NFOs) to run successful campaigns. Finally, Mr. D emphasizes the need for more awareness of the impact of fair trade premium money on laborers' lives.

### 5.6.2.3 Marketing campaign

Respondents emphasised the importance of NFOs' roles and how they can bring awareness to the European consumer by starting marketing campaigns across Europe. Mr J added:

*NFOs should come forward to focus on strong marketing campaigns in European countries where people love soccer balls. The origin of fair-trade balls should be introduced to the consumer where fair-trade producers follow required compliance. It is a unique industry in Pakistan that needs more attention to enhance the importance of sports products in the fair-trade global market.*

Mr M shares his efforts to advertise sports balls efficiently:

*We have always stressed in the international forums that they should appoint marketing managers for the sports industry. Once Fairtrade FLO appointed a female product manager. I requested her to visit the Pakistan sports industry to witness the production process, ball-making techniques, and product standards. It would help her present fair-trade balls to the international community. Also, to deliver a message about how the fair-trade certified industry produces quality balls and changes labour life. However, it never happened. Later, fair trade sacked her and never appointed another sports product manager. I still hope our focus will again convince fair trade international to produce a solution.*

The participants emphasize the importance of National Fair Trade Organizations (NFOs) and their role in bringing awareness to European consumers through marketing campaigns. Mr. J suggests that NFOs should focus on strong marketing campaigns in European countries where people love soccer balls, introducing the origin of fair-trade balls and emphasizing the compliance requirements. Mr. M shares his efforts to advertise sports balls effectively, including requesting a visit from a Fairtrade product manager to witness the production process and standards of the Pakistani sports industry. However, the appointment never happened, and fair trade sacked the product manager without appointing another one, leaving room for improvement in the marketing of fair trade sports products.

#### 5.6.2.4 Producer responsibility for promotions

Respondents share a mixed opinion. Some respondents believe that local industry is not doing enough to promote international fair trade goods. The local producers are more interested in non-fair-trade products export. In contrast to that, many respondents argue that they are trying to play their role to capture the international market for fair trade sports balls. Many important factors affect the focus on appropriate trade goods, such as promotion budget vs direct trade sales, R and D strategies and producer access and limitations.

Mr G shares his company's marketing strategies to boost fair trade sales:

*We have nearly established an office in Germany. It will take a year or two to convince local businesses to buy fair trade products. This way, we believe it will be easier to attract local buyers since we already have a client network for non-fair-trade products. Therefore, we do not see any significant issue except exploring local fair-trade buyers. We are planning to collaborate with supermarkets to introduce fair trade balls. However, we still need to develop a strategy to boost profit before entering the German sports market. Suppose Lidl and Aldi are competitors. If Aldi sells a ball for 10 euros, then Lidl would try not to go over 9.50 euros for the same ball; therefore, if we convince them to consider fair trade balls. The same products can even be sold for 12 euros, including the premium price, if a superstore starts on-site promotion. They can easily ask for 12 euros price.*

Mr R does not accept the fact that producers should come forward to play their role in promoting fair trade products. He brings producer budget limitation as an argument.

*As a soccer ball producer, we cannot afford promotion costs. We hardly have a few fair-trade clients with limited orders. We are working with big brands. Our fair-trade business is less than 1% of the total business or sales. It is impossible to spend on promotion while not receiving enough fair-trade business.*

The participants have different opinions on whether local producers are doing enough to promote fair trade goods. Some argue that local producers are more interested in non-fair-trade product exports, while others claim they are trying to capture the international market for fair trade sports balls. Marketing strategies to boost fair trade sales include collaborating with



supermarkets to introduce fair trade balls and establishing an office in Germany. However, some producers argue that they cannot afford promotion costs, and their fair-trade business is only a small percentage of total sales.

#### **5.6.2.5 Producers' primary focus on traditional balls**

The focus of the sports industry counts on increasing the market shares of fair trade balls or conventional balls. The participant experience shows that the main focus of the Sialkot sports industry is on conventional balls. As a result, the industry is successfully increasing its market share.

Mr M shares: it is a good idea to pay more attention to fair trade products.

*People should come forward to support their core products as the sports industry is one of our core industries. We are focusing on non-fair trade sports balls because of our experience. In our city, there is more awareness needed. If we conduct a training session in a different factory, it will bring them the attention and advantage. We are running fair-trade projects. We can give examples of our welfare project that is providing benefits to workers.*

Mr T adds:

*It is a matter of interest. Suppose the industry pays more attention to fair trade sports balls and plans long-term strategy. Eventually, it will help to increase the market share and capture consumer attention.*

It emerges that some participants believe that the industry should pay more attention to fair trade products to capture the consumer's attention and increase market share. However, others argue that the industry is successfully increasing its market share by focusing on conventional balls.

#### **5.6.2.6 Other areas to improve**

The respondents agree on some areas that need attention to improve the local industry business cycle. The local producers rely on their longstanding clients. Most companies lack an R and D

department. Updated technology is another significant factor in competing in the international market and lowering the production cost. Mr R shares his opinion:

*We have specific issues to resolve. We do not focus on innovative ideas to develop a marketing strategy. Our firm is only attentive to existing clients, such as taking their orders, sending samples, and maintaining product quality. If we also focus on R and D. Subsequently, we can work on various ideas for coming years' product range, technology modifications and new raw materials.*

Mr S stresses the availability of raw materials within the country and elaborates his views:

*Most local producers find procurement of raw materials uneasy. We receive export business and import raw materials. However, providing an opportunity to buy raw materials within our country will allow us to perform better. Our primary focus is to procure quality materials from other countries and compare their cost. In the next phase, we will try to find new clients. Overall, we focus on these two parts. As an outcome, we do not focus on developing new products.*

Mr F emphasised the critical element.

*Fairtrade audits should be recognised and valued by the big brands as one of my colleagues mentioned that even FIFA does not recognise fair trade annual audits.*

The extract revolves around the need for innovation and development of marketing strategies in the Sialkot sports industry. Mr. R suggests that the industry needs to focus on R&D and come up with innovative ideas for developing marketing strategies. Mr. S points out the difficulty in procuring raw materials within the country and how it affects the industry's performance. Finally, Mr. F stresses the importance of recognising and valuing Fairtrade audits by big brands, as they are not currently recognised by FIFA.

### **5.6.2.7 Government support**

Government support is essential for industrial growth. The respondents stress the current import tax on raw materials and the subsidy they should provide to the country's key

industries. This is the only way respondents see Pakistan's Sports and other industries growing.

Mr M added:

*The Government should immediately remove the 17% import tax on raw materials. Otherwise, I will raise the prices of sports balls where we are already facing tough competition from China, Thailand, India, and Bangladesh.*

Mr E added:

*Looking into high energy prices and lack of Government support in providing spherical industry subsidies will eventually create barriers for us to compete in the international market.*

The participants emphasise the importance of government support for industrial growth in Pakistan, particularly in the sports industry. They stressed the need for the government to remove the 17% import tax on raw materials and provide subsidies to key industries. Respondents believe that without government support, the country's industries will face barriers to competing in the international market, especially given the high energy prices. Mr. M also added that the import tax on raw materials must be removed to prevent raising prices of sports balls and face stiff competition from other countries.

## **5.7 Conclusion**

The finding chapter extracted main themes from the primary data collected through interviews, focus group discussions and document analysis. The raw data were converted to transcripts through a manual process, and in next phase, it was processed through NVivo software to draw thematic analysis. At the same time, the statistical data collected through document analysis was processed via SPSS software to gain the information. The three main themes further included various sub-themes involving primary discussion groups and statistical data. The theme analysis's main three themes were the journey from FT motive to implementation, FT impacts on people, business and the environment, and the gap in the current industrial practices and action to be taken. The findings showed key indicators through various sub-themes, which impacted organizational performance in many ways.

## **CHAPTER SIX: DISCUSSION**

### **6.1 Introduction**

The chapter provides a complete discussion and analysis of the data extracted from NVivo and SPSS software. The data extracted from NVivo was based on semi-structured interviews. After creating the project and uploading the interview transcripts, many themes were identified. Each theme contains its sub-themes that are made of multi-nodes. The discussion and analysis chapter provide a detailed answer to the research question identified in chapter one. The explanations are supported by primary data in context with the up-to-date secondary data finding included in chapter two as a literature review, exceptionally particular to critical analysis.

*Research Question # 01 What does the literature on fair trade regulation, practices and implementation in the Sialkot sports industry critically evaluate?*

Initially, the research identified the present fair trade practical implementation in the sports balls industry. The research conducted to find the answer to fair trade implementation carries many challenges. The process of acquiring a fair trade certificate is not that simple, even if many producers are willing to adapt a fair trade logo.

### **6.2 Journey from fair trade motive to practical implementation**

Inclusive insights of FT and industry efforts can only be viewed through the lens of the three dimensions highlighted in the primary data. These dimensions include (a) Fair Trade certification approach and challenges; (b) fair trade industrial perspective; (c) fair trade premium. All these multi-dimensional themes involved a set of indicators to measure the performance (Elkington, 1999) in a specific way inspired by TBL theory.

#### **6.2.1 Fair trade certification approach and challenges**

To fully justify question one, it was essential to understand the fair-trade certification access process and associated challenges. Concerning the literature (Pedregal, 2009; Mohan *et al.*, 2019; Holmes & Imai, 2019) and the actual fair trade registration process, the industrial finding showed that the fair-trade registration process takes a long time but has also provided a clear picture of the various barriers. The key issues focused on fair trade registration requirements are, understanding the documentation, making a Fairtrade Premium Committee (FPC), health

and safety committee and registering an NGO to open a bank account. As FPC is taken as an NGO, the local legislation only permits an NGO account. This account is later used for the Fairtrade premium income. The investigation found opening an FPC bank account faced delays and unnecessary documentation requirements. Pedregal (2009) criticised the certification necessitates the time it takes to certify and third-party certifiers' limited resources. The country's local procedure highlighted the government's complicated process that would eventually discourage local industry from avoiding global ethical certification.

The primary data shed the light on the producer's fears before obtaining the certification. The main concern was paying the annual fair-trade fee to maintain the audit requirements, especially in an unsuccessful event of fair-trade product orders. The producer will be forced to pay from their pocket without securing fair trade business. Mohan *et al.*, (2019) criticised the FT certification fees for being excessive; it is felt that FT has grown into a complex bureaucracy and an industry, resulting in excessive administration and promotional costs. Consequently, FT must charge high certification fees to cover these costs. The challenges were not just limited to the initial phase. However, it also included the initial training and understanding of the documentation of required standards. Moreover, the data showed insufficient support in providing training and implementing fair trade standards in the first phase of registration. The newly registered companies relied on the pioneer or initially registered companies for the training and thorough understanding of FLO cert standards. Such barriers would eventually discourage other potential stakeholders, sports factories to obtain fair trade factories.

### **6.2.2 Fair trade industrial perspective**

The data showed the background behind the fair-trade label; to meet the requirement of research sub-question one, it was essential to know the industrial perspective. The data was extracted to see the insight of industry pre- and post-experience. This theme included two sub-themes such as a) Fairtrade as a marketing tool and b) Product range. The evidence showed the industry perspective in multiple dimensions. For instance, the industry was clear about the aim and focus of fair trade. The main initiatives were based on the certain social performance indicators (Elkington, 1999) such as people's welfare and livelihood of workers. Contrary to the findings on workers' benefits; the data confirmed some companies' intentions to avail fair trade as a competitive advantage and build the brand image. The results showed industry concerns over expectations from fair trade. The companies could not receive the expected equitable trade product sales growth. Regarding the modest market share (Tanveer & Rizvi,

2011; Ali *et al.*, 2018) of fair trade balls, some participants from registered firms believed there is a lack of interest in fair trade products from the sports industry as they rely on traditional balls income. As a result, the industry struggles to continue on-going fair trade projects. The primary data also highlighted the importance of fair-trade audit recognition. The findings revealed that some international organisations for instance FIFA had asked Sialkot firms to position another audit to obtain FIFA license, as FIFA does not recognise fair trade audits. This is a new insight to the fair trade research literature, as no scholar has yet debated on fair trade audit recognition issue.

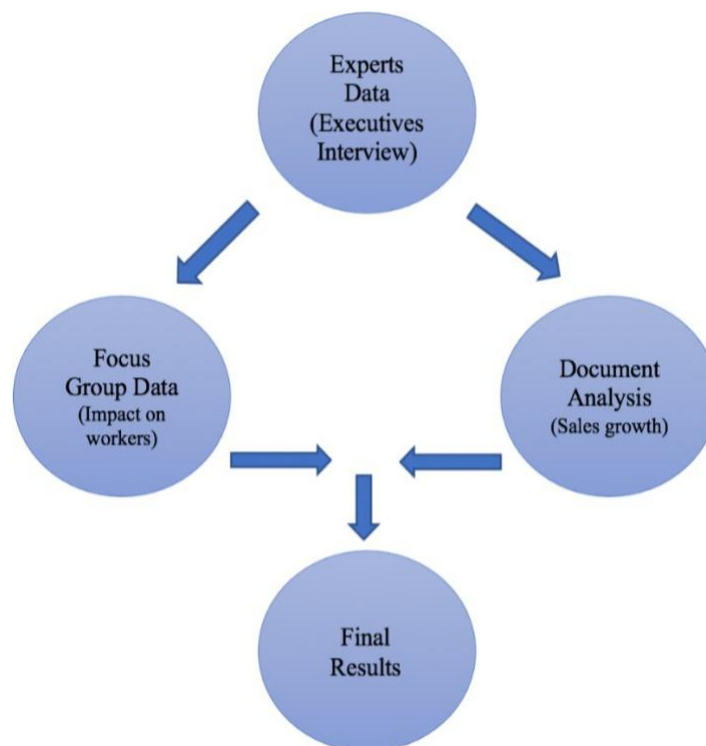
### **6.2.3 Fair trade premium**

The premium projects were investigated to study the impact of fair trade on workers' livelihood. The evidence showed the variations and frequency of premium projects in all six fair trade registered firms. The firms offered various projects such as children education, honest price shop, free lunch on-site, free transportation, health care, interest-free loan, annual medical camps, and clean water filtration plant for many years. All these multi-dimensional projects were used as social indicators (Elkington, 1999; Abbasi & Din, 2020) to investigate the social performance of fair trade. The number of projects depended on the amount of premium money. The firms that started fair trade balls over a decade frequently ran most of the project. It showed their healthy relationship with European stakeholders. Fair trade premium income is a backbone for any project started under a fair trade projects scheme. The sustainability (Freeman, 1984) of the project depends on the premium cash flow (Ali *et al.*, 2018). The participant's data also highlighted those various projects were shut down due to insufficient premium funds, especially in the newly registered companies. The new firms faced more difficulty securing premiums than established fair trade registered firms; it also indicated the importance of strong relationship with external stakeholders. The data showed the newly registered firms were struggling to secure fair trade products orders, this due to be lack of presence on social media and weak bonding with external stakeholders as ethical business are built on the bases of trust and mutual understanding. The evidence showed that the Sialkot sports industry strictly followed the FLO CERT guidelines to plan and implement welfare projects. They set the criteria that a premium cannot be used for religious purposes. Therefore, the industry cannot give donations to religious organisations, religious institutions, or for any religious purpose, this is a new insight to the fair trade literature.

*Research question: 02 How can the fair-trade effect on workers, sales growth and environmental protection be explored with a focus on the sports balls industry, Pakistan?*

### **6.3 Fair Trade Impacts on People, Business, and Environment**

In this section, the results are extracted from two main themes. One of the key themes, effects on workers provided primary data through management expert's interview. However, triangulation of methods was adapted to justify question two more accurately and maintaining the validity of the research. The reason to adapt this approach was the credibility of fair trade premium projects impact on workers and statistical figures confirming the sales growth ratio. In other words, the expert data was further evaluated on the data collected through focus groups discussion and document analysis, since the focus groups were only based on factory unit workers.



**Figure 26: The triangulation of methods**

(Source: Author)

The focus group's primary data provided evidence of premium projects' impact, minimum wage, working conditions, labour rights and health care. The discussion is divided into two parts. The first part is based on the primary data extracted through management expert interviews. The key themes were based on benefits to the workers and community, women

empowerment, employee health and safety measures and overall socio-economic development and premium. The premium project features were further studied through the focus groups discussion.

### **6.3.1 Effects on workers**

The data provided sufficient evidence to satisfy fair trade social indicator performance such as supporting the worker's community in all possible ways; that showed healthy relationship between firms' owners and internal stakeholders as the primary data showed employee satisfaction regarding welfare projects, job security and health care. The workers were offered free annual health check-ups. Clean water filtration plant access was not just for the workers but also for the community living around the factory units that is classified as the spill-over effect (Ronchi, 2002). These projects confirmed the focus of the companies that follow fair trade key objectives (Verick, 2019; Sengupta & Shukla, 2019). FT aims to produce social benefits for producers and workers in developing countries by utilising market-based approaches to trade and commerce (Mason & Doherty, 2016). The primary data also confirmed that fair trade is one of the significant reasons to enhance employee's satisfaction or internal stakeholders (Freeman, 1984). In this aspect, the findings provided the main reason of an overall socio-economic development factor; welfare projects are the main reason that improves labourers working performance and reduce employee turnover ratio. The data provided evidence that fair trade policies regarding health and safety had been strictly implemented within the factory premises; for example, to use hazardous or non-hazardous chemicals, the firms provide PPE (personal protective equipment) to protect the workers and minimise the incident risk. A chemical called latex rubber is used in sports balls production process. The industry was moving towards engineering control to tackle health hazards and chemical handling. Therefore, few firms introduced machine automation; due to this, numbers of workers exposed to ammonia has been reduced during the elimination process. They tried to minimise the risk to workers' health through automation system. One of the companies received significant motivation from fair trade; consequently, the company launched a vision zero project in their factory units' premises. The project aim was to ensure zero accidents within factory premises. The premium projects brought significant changes in workers' life. As a result, workers also understand the industry's anticipation to produce quality sports balls, which built a confidence and sense of responsibility in workers to perform well to secure more fair trade orders based on their quality production.



### **6.3.2 Worker's perspective of fair-trade effect on them (focus group)**

To validate the important part of research question two, particularly the impact on workers; the primary data was not kept limited to management opinions. It was further extended to workers' views to eliminate the biases or unfair elements. It can be easily objected that every company's management would only provide positive information. Factories unit workers were approached to avoid such inadequacy, and data were collected through focus groups discussion. The primary data collected through focus groups shed the light on social and economic measures. However, to support question two, the focus was kept on the findings of premium projects, impact on workers' life, job satisfaction, and socioeconomic condition. In contrast to Lindsey's (2007) and Sidwell's (2008) criticism that labours do not get benefits from the allegedly higher costs paid by the shopper; the evidence showed companies were facilitating workers with projects. Also, the projects were launched and chosen by FPC which showed that workers had the freedom to invest premium money as per their mutual needs. This analysis also found evidence for working conditions and socioeconomic status. Consequently, the primary data supported Holmes and Imai's (2019) claim that higher income receive through fair trade premium supports a more heightened standard of living with a healthy lifestyle.

### **6.3.3 Women empowerment**

Women empowerment was an integral part of research question two, which was positioned under the theme of effect on workers. The main reason to study and gather evidence on women's empowerment was tied to the fair trade exceptional focus on women role in the sports industry. The implications of these findings were discussed in the literature review (Awan *et al.*, 2019; Kousar *et al.*, 2017), and the primary data supported those implications where fair trade in the sports industry always emphasised on the opportunities provided to women in their annual audit.

The data showed the sports industry put efforts into providing opportunities for women. However, there was a need for a separate transport system to ensure their safe travelling in a conservative society. Only one company stitching units, provided a separate transport system funded through premium income. The findings also showed the sports industry's contribution by spreading awareness about women's empowerment in the suburbs of the stitching units. Only one company agreed on their awareness-raising campaign which insufficient to employ more women in the countryside stitching units. There is a need for more efforts to support

women living in the rural areas to apply for factory jobs. The results also confirmed the barriers that stop or create hustle for women to avail job opportunities. Such barriers included family permission by male members, safety concerns and a conservative mindset.

#### **6.3.4 Influence on business**

The primary data collected through management interviews showed the disappointing sales growth of fair trade sports balls. The results provided evidence that there is a less demand of fair trade sports items as compared to other fair trade products such as spices, tea, coffee, banana etc. The data showed a random growth of conventional sports balls as compared to fair trade balls. The data provided a reason behind the modest sales which was consumer awareness about fair trade sports product as people only know about frequently consumable fair trade products such as coffee, banana, tea, chocolate etc. If the consumers buy more sports products, the demand for fair trade sports items will increase. However, the highstreets retailers in developed countries cannot make orders without their consumers interest and demand.

The evidence showed that it is impossible for the producers to even think about fair trade sports products as their business model. However, an exceptional case came from only one producer that has recently started producing 100% fair trade footwear and organic cotton denim. Their main aim is to convert their business product to fair trade and hopeful to switch most of their factory products under fair trade regulations. The producer has an edge of being a pioneer in Pakistan as fair trade producer, which provided them a competitive advantage of a well-built connection with European clients. In contrast, their fellow producers had a valid reason to reject fair trade as their business model as their product sales are even less than 1% of the total sports product sales; Tanveer and Rizvi (2001) also mentioned about the average sale of Sialkot FT balls is less than 10% of the total conventional sports balls sale.

The industry cannot rely on the fair trade sales to sustain their business. The producers started fair trade initiative as an opportunity to explore the ethical certification regulation and its impact on their business. Most producers feared that fair trade might not bring expected benefits on which their firms can rely for the long-term sustainability (Freeman, 1984; Post et al., 2002). However, their primary intentions were to develop a welfare system for their workers.

The results showed a combination of producers' opinions, where most of the producers assumed that fair trade international should have focused more on sports products promotions.

In contrast, a few producers also believed that the local producers should take the initiative to advertise their products internationally.

The evidence from primary data of two variables known as fair trade and conventional sports goods which were collected through document analysis as said above in chapter 4; there were only six fair trade registered firms that operate multi-stitching units in South Asian city, Sialkot. The evidence showed that the companies' annual financial statements were unavailable on their websites or chamber of commerce online portal. Therefore, a request was made to all fair trade registered companies to provide the number of sports product sales annually for past 11 years; especially, if they were registered for over ten or less years. The data focused on the past 11 years to calculate the sale growth ratio for 10 years. However, only five firms provided their annual sales data. One of the firms was hesitant to provide their yearly sales figures, therefore, the focus was kept on the five firms' sales numbers. Since, most firms provided their data, therefore, it supported the strength of the quantitative data sets

The SPSS bivariate correlation test provided the evidence of a relationship between two variables Table 6, showed correlation strength that is weaker in three firms, and two firms showed a stronger connection between fair trade sales and conventional balls sales. However, the most crucial part was to evaluate the hypothesis. The significance two-tailed gives the P value of 0.124. This is greater than the 0.05 alpha level. It is essential to mention that the significance level by default is 0.05. Since  $p > .05$ , the  $H_0$  failed to be rejected. As a result, the null stands and  $H_a$  is denied. The result demonstrated insufficient evidence to prove a statistically significant correlation between fair trade and conventional balls sale. However, only one firm-2 rejected  $H_0$ , showing the considerable correlation between fair trade and non-fair trade products sales growth. Since these two firms registered over a decade and built a strong relationship with their external stakeholders which helped them to sustain FT premium for long term.

The data was further processed through regression analysis against the same two variables. The investigation was carried out to predict the sales growth of conventional balls while knowing the fair trade balls' sales number.

The integration of qualitative and quantitative data through triangulation enhanced the validity and reliability of research findings. Triangulation involves comparing and contrasting findings from different data sources or methods to corroborate or deepen the understanding of the research phenomenon. In this study, quantitative data provided statistical evidence supported qualitative claim appeared in in-depth interviews such as the relationship between fair trade balls sales and traditional balls sales. The quantitative data validated e corroborate qualitative findings. For examples SPSS outcomes that align with qualitative themes and patterns strengthen the credibility of qualitative interpretations. The statistical data clearly showed that there is no relationship between fair-trade balls sales and traditional balls sales. However, fair trade logo does impact the brand image of Sialkot fair trade registered company which encourages internal clients to consider their products.

The integration of qualitative and quantitative data can lead to a more comprehensive and nuanced understanding of research topics. By combining both approaches, researchers can leverage the strengths of each method to bridge gaps, validate findings, and provide a more robust analysis of the research phenomenon.

### **6.3.5 Efforts to protect the environment**

The research question two had a broader perspective that involved various performance indicators, for instance, people's welfare, business performance and environmental protection. To justify question two, data was collected through multiple means and numerous resources were selected on the nature of the question's justification requirement which included expert interviews, focus groups discussion and document analysis.

The key findings showed the industry's played a responsible role in eliminating, preventing, and minimising chemical usage. Some participants data showed, no use of chemical ink or PVC material in their production process. At the same time, some participants agreed with the fact that their firms have almost shifted their production to PU (Polyurethane) from PVC. The primary data extracted interesting facts that sports industry production is not just aligned with fair trade environmental regulations, but also follows the EU ecological standards as the main buyers of the industry are from the EU. The data clearly showed the industry is using ink that involves chemicals for printing and a certain amount of substance for washing purpose. Some participants claimed that their factories were replacing solvent ink with water-based ink; however, the progress and challenges to the industry showed that the replacement would take

time. If the sports sector accomplishes this target, it will be a remarkable achievement for the sports industry to minimise or prevent the substance disposition concern to factory surrounded land or river to protect marine life.

The extracted primary data revealed the current methods to dispose of the used chemical. All participants agreed that industries do not dispose production waste in the surrounded land and river; vendors take the industry waste which is further used in the brick industry as a fuel. It is an important point to mention that the sports industry might find relief by not disposing chemical waste in a river or surrounding areas. However, from a broader perspective, the brick industry still uses the waste as a fuel to make bricks which is one of the main reasons behind air pollution in South Asia. Also, it releases toxic gasses and eventually adds an impact to global warming. This environmental protection part added the new insights to the environmental research literature.

*Research question 3: How can a strategic framework be recommended to integrate fair trade practices to improve organisational performance in sports business, Sialkot Pakistan?*

#### **6.4 Gap in the Current Industrial Practices and Action to be Taken**

The third theme obtained from primary findings assisted to find the answer for research sub-question three. The participants from Sialkot sports balls industry were unable to identify the key factors to improve certain organisational performance indicators. It is essential for the sports industry to understand the key recommendations for the efficient implementations of the fair trade regulations in the Sialkot sports industry business framework.

##### **6.4.1 Industrial current approach and the gap in the market**

The primary data confirmed the findings about the controllable and uncontrollable environment, current industry approach and gap in the market. The participants demonstrated, not just uncontrollable but controllable factors which had affected the sports balls industry. The key concerns included cashflow disruption, electrical shorts fall and prices, auto machines technology, law and order situation, brand image and fear of losing clients if the prices go higher. The results brought one of the critical issues of the law-and-order concern in the region that created uncertainty and dramatic product growth. To understand South Asia business regional instability especially in Pakistan, it is essential to shed light on disastrous incident as

Dunmire (2009) stated that 9/11 tainted everything around the globe. In support to that, Prawindarti (2011) highlighted ASEAN destabilisation of businesses confidence in the region. While discussing ASEAN, Pakistan was the only country severely affected because of an ally to the US after 9/11. The primary data demonstrated that it severely impacted country's exports. The participants responded that international clients were unable to travel to Pakistan to physically view their production process and then make the orders personally; due to that their clients started business with the neighbouring countries for example China, India, Bangladesh etc. As a result, Sialkot sports product demand declined. This was one of the critical issues that appeared due to security concern. The external environment plays a crucial role in any business to improve sustainability as per institutional theory (Meyer & Rowan, 1991). However, the industry focus on the internal environment can play a vital role in reviving industry's prestige.

The findings were not just limited to security concerns; it also included the list of economic crises and political instability that created other issues of currency depreciation and energy shortfall. Further in this section, this is important to correctly interpret controllable environment factors such as cash flow interruption, brand image efforts, outdated technology, insufficient government support, industry current focus, lack of innovations, and no use social medial. Clearly, import duty tax on raw material has shattered the industry's confidence. For over a decade, the sports industry has struggled to compete in the international market despite facing rapid US dollar fluctuation and energy crises. The extra import tax on raw materials has created an alarm in the industry. The sports industry has warned that such Government policies will increase the prices of sports balls. Many studies showed that most retailers do not increase their profit margins on fair trade products, fearing of losing their market share in the growing FT market (Mohan *et al.*, 2019). Considering this scenario, it is essential to consider Pakistan's geographic location and sports products rivals such as China, India, and Taiwan. There is no hidden fact that China and India are the world's emerging economies, and their governments provide subsidies and special energy tariffs to the industry (Tanveer & Rizvi, 2011). In contrast, Pakistan is making it hard for the sports industry as the Government applied extra import taxes on raw materials. Whereas the sports sector is already facing higher energy bills and local currency depreciation. The sports industry could hardly bear the US dollar's rapid fluctuations.

The overall focus, therefore, was not on the fair trade products and promotions business but increasing traditional sports products sales growth through fair trade logo to create a brand image, this can be taken as the pressure from the ethical society (Meyer & Rowan, 1991) to implement ethical practices through an ethical label. The primary data casts new light on fair trade which is used as a marketing tool. The participants agreed that their efforts during the international exhibition were to portray an image of responsible producers that would attract more clients, whereas the evidence showed the practical aspect of ethical logo within the Sialkot sports industry for instance workers welfare system, spill-over effect, and environmental protection. On the other hand, such measures are important to create a string and trustworthy relation between Sialkot sports producers and international market (Freeman, 1984). Since the fair trade market has grown, so have the debates about its benefits and business ethics. A critical analysis of these debates showed that fair trade is just a special marketing device that offers benefits like other special marketing mechanisms in the market (Mohan *et al.*, 2019). Fair trade should not be treated differently from other similar social marketing and labelling initiatives in the market (Mohan *et al.*, 2019). The facts were extracted and cross-checked with other themes to present the gap that clearly showed the industry's effort to use fair trade labels for marketing purposes. The results suggested that the industry's current focus is to secure more conventional products order than refined trade producers. The effort showed the sustainability of fair trade products is not a priority. However, the industry has maintained the welfare project equally beneficial for the worker's community which supported internal and external stakeholders' satisfaction (Freeman, 1984).

The primary data theme was broadened and cross-checked to identify the industrial gap with other pieces. Some critical practices or barriers were noticed regarding fair trade audit recognition. The participant openly criticised the fair-trade efforts to acknowledge their standards by other brands name such as FIFA. Other issues include the insufficient flow of premium budget for fair trade projects that causes disruption to run the on-board projects.

The present scenario showed that the Sialkot fair trade firms were focused on representing themselves in the international market. The sports industry strongly believed in ethical practices, workers' welfare, and environmental protection. The main aim of the presentation in global platform was market penetration and increasing their traditional products sales. Although, the focus group outcomes and fair trade premium projects clearly showed that firms were using premium funds for the worker's welfare. Some firms mentioned they had already

in placed a welfare system before registering under fair trade, including free lunch and medical insurance. The evidence showed that Sialkot city local producers want a strong relationship with international clients by representing themselves as responsible producers (Meyer & Rowan, 1991). In that order, the fair trade logo helps to catch the client's attention in international exhibitions, e.g., Munich exhibition. It may be worth noting that it is wrong to assume that producers joined FT only for the premium; as stated earlier, there were other reasons, an effort to diversify their marketing options (Dammert & Mohan, 2015).

#### **6.4.2 Ways to improve current practices**

To integrate gap discussed above; the participants highlighted the set of practices in primary data which is required to improve the current practices and approach in the Sialkot sports balls industry. The data collected through three sources for instance, experts' interviews, focus groups discussion and document analyses indicated a significant improvement is required in the management process and approach.

The preliminary data results have provided direction to research question 3. However, the results offer partial guidelines for creating or improving strategies. Without a doubt, the policies will significantly support enhancing business processes.

The evidence showed that the sports industry has ignored or not yet applied a critical element. The key factor contains the sales growth target for fair trade products and marketing efforts. Still, the data showed limitations in Sialkot's industry efforts to meet the requirement and measures for sales growth. The results showed the focus on fair trade product promotions. However, the industry expects appropriate trade organisations to fully take responsibility for promotions and marketing. Still, the initiative failed to identify social media or online campaigns as promotion strategies. The present finding confirmed the minimum efforts for promotions. The participant insisted on fair trade, international organisations taking the receptibility of good sports promotions, and charities should come forward to increase sports product awareness. The industry blamed the marketing budget that is not affordable internationally. However, the global world aspect of digital marketing tools has been completely ignored. That needs minimum investment to promote the label products in their target market.



There is a big room to launch an awareness campaign to provide confidence and support to women living in rural areas to secure factory jobs. The results also confirmed the barriers that stop or create hustle for women to avail job opportunities. Such barriers included family permission by male members, safety concerns and a conservative mindset.

## **6.5 Conclusion**

The information retrieved through thematic analyses was brought into the discussion. It can be stated that this chapter ensured the literature review informed the discussion. The discussion provided an opportunity to revisit the literature review with results and contrast it with the existing knowledge and theories. The results agreed with certain studies conducted in different parts of the world. In addition, the results also provided new insights into that theoretical understating, particularly regarding fair trade impacts on workers and socioeconomic status, the fair trade, and traditional balls sales growth and environmental protects.

## **CHAPTER SEVEN: RESEARCH CONCLUSION, CONTRIBUTION, AND RECOMMENDATIONS**

### **7.1 Introduction**

The final chapter provides the main insights collected by investigating fair trade in the Sialkot sports balls industry. This chapter also sheds light on a managerial recommendation for sports companies in South Asia, managerial implications, future research paths, research limitations, and recommended framework.

### **7.2 Conclusion**

The research aimed to investigate the impact of adapting fair trade on organisational performance, focusing on studying the sports industry in Sialkot city, Pakistan. To find the facts, mixed methods were applied alongside document analysis. The qualitative methodology part was based on semi-structured interviews. The qualitative component was the primary research method, supported by quantitative methods and document analysis. Within the qualitative research, the chosen samples were based on management interviews and focus groups discussion involved factories workers. The research study was based on three research objectives; the findings can be summarised to show the achievement of all three research objectives. Research objective one shows the justification below:

***Research Objective # 01: To critically evaluate the literature on fair trade regulations, practices, and implementation.***

The study has concluded the critical evaluation of literature on fair trade regulations, norms, and implementation in the sports industry through the interviews of management and a focus groups discussion based on stitching unit and production workers, and members of the fair trade premium committee (FPC). The primary data showed the bumpy process of registering under fair trade and implementing their regulations. The management interview data highlighted the complications of the registration process. All the six fair trade registered firms faced certain barriers, however, the newly registered firms stressed on the obstacles to fulfil fair trade registration requirements. The key challenges were making a fair trade premium committee and opening a bank account for the committee to receive FT premium income. Each phase has its challenges, for instance, factory and production workers hesitate to take responsibility of fair trade premium committee as it involves legal obligations. Secondly, opening a bank account needs an exclusive approval from the Government to open an NGO

account. In this aspect, it is essential to mention that a fair trade committee bank account under the country's regulations is considered as a charity or NGO account. The primary data clearly show the fear related to fair trade registration. The main worry was to secure the fair-trade product orders. The newly registered firms' data show modest fair trade sale. In contrast, the pioneer and initially registered companies have maintained sufficient sales growth to obtain fair trade project premium.

The primary data also reveals the intention of Sialkot sports firms to receive the fair trade label. The industry's primary purpose was to enhance brand image and use the label as a competitive advantage which support fair trade registered firms to get participants' attention and secure conventional sports balls orders in Munich's sports exhibition every year. The other aim was to introduce a welfare system for sports stitching unit workers that could be monitored by a third party, such as a fair-trade organisation. The evidence showed the practical implementation of various premium projects such as clean water, basic health screening, health insurance, free transportation, educational project for workers' children, fair price shop, free lunch, etc. The number of projects varied from firm to firm and mainly depended on the premium income. The evidence showed that some premium projects were shut down due to insufficient premium money. The fair-trade audit recognition lacked acceptance by well-known brands such as FIFA. As a result, companies had to bear extra expenses by conducting more audits.

***Research objective # 02: To explore the effect of fair-trade practices on workers, sales growth, and environmental protection with a focus on the sports balls industry, Pakistan***

The study has concluded the impact of fair trade on social, economic, and ecological area. Since organisational performance is a vast area, to fully justify the research objective two, the focus was kept on the need of the research. The term organisational performance was divided into three key indicators such as people, profit, and the planet (3P). These three key dimensions indicate the focus on workers, sales, and the environment. The primary data shows that these areas were studied separately, for instance, to investigate the effect on workers, it was necessary to understand the perspectives of both parties, the firm's management, and factory workers. Therefore, individual interviews and focus groups discussion were conducted. The data collected through the focus groups show reliable outcomes which highlights the workers' perspectives on fair trade, premium projects, and socioeconomic changes. The data brought attention to specific challenges that all the firms faced during the fair trade registration process.

The second part of the organisational performance was to investigate the impact of fair trade on sports balls sales. The statistical data shows the modest sales of fair trade products. The response of the fair trade products varies from firm to firm. The initiatives registered firms receive regular orders for fair trade balls; therefore, it is convenient for their factories to maintain the cost of premium projects to run for long term. However, the statistical and qualitative data show the newly registered firms are struggling to run and maintain the premium projects. One of the six firms had to halt its free transportation due to insufficient funds. Such cases raised the alarm as it affects workers' welfare system and creates a barrier to achieve fair trade goals. The primary data clearly indicates that there is no relationship between fair trade balls and traditional balls sales. One of the main reasons was sighted the aim behind fair trade, it was a focus on the marketing side and creating a company's ethical image in the international market. That image attracts foreign buyers for their traditional sports balls.

The last part of the organisational performance was relying on the environment. The primary data shows that fair-trade registered firms strictly follow fair trade and European environmental regulations. The data further provides evidence that registered vendors collect the chemical waste of the factories using the waste in the brick industry. However, it is essential to add that using that chemical waste brick industry produces CO<sub>2</sub> that directly contributes to global warming and pollution. So far only the FT pioneer firm is moving from PV to PVC technology to eliminate the harmful chemical impacts on the environment.

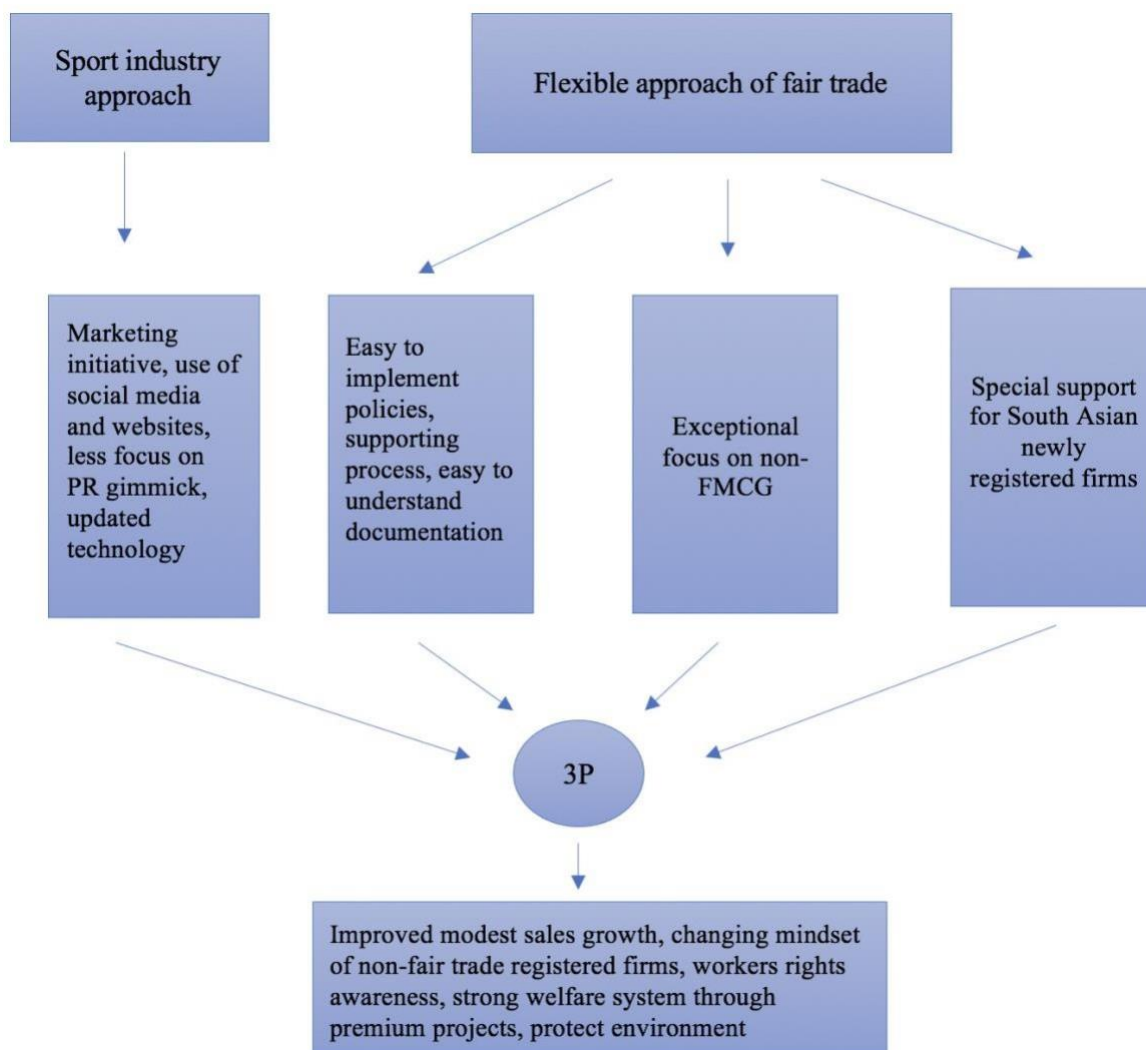
***Research Objective # 03: To recommend a strategic framework to integrate fair trade practices to enhance organisational performance in sports business, Sialkot, Pakistan.***

To ensure the practical completion of research objective three, specific guidelines have been considered to develop a strategic framework to improve the impact of fair trade on organisational performance in the Sialkot sports balls industry. The study has confirmed the need to connect the dots between current industrial practices and the theoretical model developed for the Sialkot sports industry to eliminate the gap. The fair-trade organisation and the Sialkot sports balls industry should consider a set of rules to ensure a practical impact of the Fairtrade label. The Sialkot sports balls industry should include a series of actions in their practices. The core area that should be considered on a priority basis is planning marketing strategy. The primary data highlighted that the Sialkot sports industry blamed the fair-trade organisation for marketing activities. However, it is the need of the market that the Sialkot

industry should also come forward as the industry has the potential to play a vital role in this digital era. Social media is one of the key platforms that can be used for practical and uncostly marketing campaigns. The industry has been underestimating the power of social media; however, the sports industry must realise the use of social media and company websites in the digital era. Some interesting facts were noticed since the data was collected, before data collection, only two initially registered FT companies had websites. However, the websites were not very user-friendly regarding the accessibility and usability of contents on various devices. During the data collection, the question was asked about their online services. The fair-trade registered companies immediately considered the idea of not just having a website but a user-friendly website. Yet, two companies still need to design and create their websites.

It is high time for fair trade registered companies to pay more attention to fair trade modest sales than only using the fair trade label as a marketing tool. There is no harm in using ethical labels to enhance the brand image as it is high time that the countries in South Asia should recognised labour rights and developed an efficient welfare system for the labour community; further it also helps to build a trust and effective relationship with external stakeholders. It is worth mentioning that the firms are providing support to the workers' community as per the fair trade premium income. The sports industry also needs to update the technology to compete in the market. The updated technology would save cost and time and enhance the quality of the machine balls.

There are three critical areas that fair trade can consider while encouraging fair trade label in South Asia. The newly registered companies showed dissatisfaction with the fair trade regional support centre. The pioneer FT registered company director revealed that there was a regional manager of fair trade for South Asia in the beginning when their firm started the registration process. However, after a few years, the supporting manager lost the job, and no one replaced their position. The recently registered firm struggled to compile with fair trade regulation and implementation due to insufficient support and training. Considering the factual data, it is highly recommended to FLO to activate their South Asian regional support centre. That will indirectly support the producer in understanding the documentation and implementation. It is also recommended to design and narrate the policies in a simple order that can be quickly brought into practice by the manufacturer in developing countries. The expert's data showed a repeated concern of lack of interest in non-fast-moving consumer goods (FMCG) from FLO. Therefore, FLO must pay exceptional attention to non-FMCG, including sports balls.



**Figure 27: Strategic framework developed for the Sialkot sports industry**

### 7.3. Research contributions

The research contribution of fair-trade impact on organisation performance in the sports balls industry is divided into two parts: contribution to theory and contribution to practice.

#### 7.3.1. Contribution to Theory

The present study attempts to address multiple gaps and, in doing so, makes significant contributions. First, the study extends the limited research (Lund-Thomsen & Nadvi, 2010; Naz & Bögenhold, 2020; Fayyaz, Lund-Thomsen & Lindgreen, 2017; Tanveer & Rizvi, 2011) mainly on Sialkot conventional sports balls sector and one critical study (Abbasi & Din, 2020) on fair trade registered and traditional companies to the understand the fair trade impact on the workers of Sialkot sports industry. This study is the first research to reflect on the role of fair-

trade regulations in the Sialkot sports industry to enhance organisational performance in terms of people, planet, and profit. The study has added significant knowledge to the limited research on South Asian fair-trade sports balls registered companies. The study contributed to three key areas of organisational performance such as ethical label impact on workers, environmental protection, and ethical labelled product sales trends. The study supported previous research (Abbasi & Din, 2020) on the indirect impact of fair trade on workers regarding the minimum wage. The same analysis of Abbadi and Din (2020) reflected fair trade as a failed scheme to improve workers' livelihood. The study found the opposite results that showed appropriate trade premium projects contributed to a significant level of stitching units' workers and community around the factories—at the same time, debating in contradiction to other studies (Cramer *et al.*, 2017; Lindsey, 2007; Sidwell, 2008); this study supports fair trade claim to ensure the fair-trade wages to the people that also include a minimum salary of the country. Fair trade practices improved workers' socioeconomic conditions (Knoblsdorfer, Sellare, & Qaim, 2021). The study found a similar finding of a decline in market shares as asserted by Tanveer and Rizvi (2011).

Secondly, the assessment of the role played by ethical labels, such as the fair trade label, in the sports industry has significant implications for shaping the industry's image in the international market. The adoption of fair trade practices by firms and enterprises in Sialkot and other regions of South Asia can be influenced by observing the positive impact of ethical labels on the sports industry.

The fair trade label serves as a symbol of social responsibility, transparency, and adherence to ethical principles in business operations. When a sports firm obtains the fair trade label, it signals to the international market that the company is committed to promoting fair labour practices, environmental sustainability, and social welfare. This recognition can enhance the industry's reputation and credibility, not only among consumers but also among other businesses and stakeholders.

The presence of fair trade practices in the sports industry can act as a catalyst for change and encourage other firms and enterprises to adopt similar approaches. By witnessing the benefits and positive outcomes associated with fair trade certification, businesses in Sialkot and South Asia may be inspired to implement fair trade practices within their own operations. This can

lead to a wider adoption of fair trade principles across the industry, promoting a more ethical and sustainable business environment.

Furthermore, the international market increasingly values and seeks out products and services that align with ethical standards. Consumers are becoming more conscious of the social and environmental impact of their purchasing decisions. Therefore, when sports firms in Sialkot and South Asia embrace fair trade practices, it opens opportunities to tap into this growing market demand for ethically produced goods.

By adapting fair trade in Sialkot and South Asia, not only do firms have the potential to improve their image and attract a broader customer base, but they also contribute to the larger goal of promoting fair trade on a regional scale. As more enterprises in the sports industry embrace fair trade principles, it creates a positive domino effect, encouraging collaboration, knowledge-sharing, and the establishment of support networks among industry players. This collective effort can drive systemic change and establish Sialkot and South Asia as hubs for ethical and sustainable sports production.

The assessment of ethical labels, such as fair trade, in the sports industry has a profound influence on shaping the industry's image in the international market. The successful adoption of fair trade practices by sports firms in Sialkot and South Asia can serve as a powerful example for others, inspiring widespread adoption of ethical principles and driving positive change in the industry. By embracing fair trade, firms not only enhance their own reputation and competitiveness but also contribute to the larger goal of fostering a more ethical and sustainable business environment in the region.

Fair trade has never been studied thoroughly in South Asia, particularly in the sports industry; some researchers have published journals. However, their research focused on limited aspects, whereas this study broadly focused on the factory workers, fair trade sales trends, and environmental protection. Not just, the data was collected through various sources to generate accurate data.

Third, to the best of the author's knowledge and through an analysis of peer reviewing, no previous study has empirically explored the impacts of fair trade on 3P (work outcomes) in an academic setting. However, this study has shown that fair trade can influence sports industry



performance in various ways that have been debated by many researchers (Naz & Bögenhold, 2020; Fayyaz, Lund-Thomsen & Lindgreen, 2017; Tanveer & Rizvi, 2011).

Fourth, the existing research on fair trade in South Asia has primarily focused on labour laws and working conditions in the Sialkot sports balls industry. This is one of the initial studies to assess fair trade and its impact on the triple bottom line. Triangulations of methods were applied to achieve credible data.

### **7.3.2. Contribution to Practice**

The study provides many solutions to the sports industry. Certain practices can be adapted by taking an example of rapidly consumable products such as coffee, banana, etc. These products focus more on marketing; so far, such can be observed on various social media.

This is the present era's need to change the industry's mindset. The fair trade registered firms should conduct seminars and trainings for other enterprises, or non-fair trade reported sports firms. Such efforts will bring awareness to the region. It is worth sharing the worker's story that has changed their life. The data provided the solution to overcome the modest sales through marketing campaigns.

The critical literature review highlighted whether adapting fair trade regulations positively impacts firms' organisational performance, especially in the Sialkot sports industry. The sports industry around the globe has not yet received enough attention from the fair-trade organisation. The only six sports firms operating under fair trade are based in Sialkot city of Pakistan. This study has found essential suggestions for managers to improve the current sports balls factory practices. The key findings include local government support and the sports firms' interest. The industry should put efforts into easing the registration of FPC documentation for opening a bank account and registering the committee as an NGO. Such measures can be put forward through the chamber of commerce for local Government consideration. The uncomplicated procedure will encourage the rest of the firms to consider fair trade labels. The current managerial approach is focused on the traditional sports ball's growth. Whereas the data also highlighted the firm's aim to enhance the company's image by adapting the fair-trade policies, it is crucial to make genuine efforts to increase fair-trade balls sales. The manager should push marketing departments to take simple initiative for a marketing campaign through

social media; the most accessible and most affordable way to advertise social media products. The data showed the lack of Sialkot sports industry presence in the global digital market. Without its presence on social media and active participation on online platforms which is one of the critical reasons for unawareness of sports products that ultimately affects the demand of the fair trade sports balls. A personal presence of sports companies and posting storytelling of their worker getting advantage of fair trade premium projects would create trust among western consumers and Sialkot producers. More demands will increase the revenue for the premium projects. Eventually, enough premium will open an opportunity to pipeline more projects. The data showed fair trade as a competitive advantage for the Sialkot sports industry in South Asia. However, applying these suggestions will support a sustainable competitive advantage. Durability is required in the industry to keep social projects alive. The industry manager should also set the fair-trade sales target each year. It will provide an opportunity to improve the business process and analyse the market strategy.

#### **7.4 Limitations**

Irrespective of several contributions, this study has certain limitations that could support future research, especially in the South Asian region. The data collection method for workers was only based on focus groups. Also, random sampling was applied to the focus groups; however, focus groups participants could be studied through individual interviews and purposive sampling as it depends on accessibility. The fair trade effects on the community were only studied through the opinions of experts and focus group participants. This study was cross-sectional. This study only included five FT registered firms' sales data, one of the firms refused to provide their annual statements data.

#### **7.5 Suggestions for Future Research**

A Sialkot based firm Tramondi Pakistan had been registered under fair trade for many years. However, after a few years, they decided not to renew the ethical label. An attempt was made to know the management's perspective, but no response was received. Future researches can include their response. Their response will help to improve certain elements associated with fair trade.

The firms do not publish their financial statements online as a public document. The number of sales data were received upon the request from the firm's HR. However, one company

registered under fair trade for over ten years refused to provide their annual fair trade sales numbers. Future research can study the sales figures from financial statements if they are available online to cross-check the validity.

It will be beneficial if future research collects the data from factory workers through individual interviews. It will provide factory workers to express their opinions openly. Some focus group members might not have expressed their concerns in the collective discussion.

To further study the community's fair trade effect, the surrounding community getting benefits from fair trade projects such as clean water and annual medical screening camps can be approached.

Future research can consider a longitudinal study.

## **7.6 Recommendations**

- The Sialkot city chamber of commerce should encourage the sports industry to place their annual financial statement on their websites. That would bring transparency and help researchers to assess the industry's progress significantly.
- The developing countries face barriers to understanding the FT standard and providing training accordingly. Allocating training teams to every developing region will encourage producers to adapt ethical labels.
- Fair trade should make more efforts for their annual audit to be recognised by well-known brands such as FIFA. Such universal recognition will save fair trade registered firms extra expenses.
- The fair trade program must highlight and promote the hand-stitched market section to the global market and create awareness among international sports businesses and organisations to give importance to the market.
- The firms should publish their financial statement as public documents. That would help researchers to find the desired information through document analysis.
- FLO should offer regional support in South Asia to facilitate and encourage more companies to adapt fair trade regulations.
- There is a big room to launch an awareness campaign to provide confidence and support women living in rural areas to secure factory jobs. The results also confirmed the

barriers that stop or create hurdle for women to avail job opportunities. Such barriers included family permission by male members, safety concerns, and a conservative mindset.

- Sialkot city is the only city where six companies are registered under fair trade. Therefore, Sialkot city has the potential to be a market leader. It can be used as dominance to enjoy the largest market share in the international market.
- Sports should keep fair trade as both a competitive advantage and a sustainable one. Timely strategic efforts will make it durable.
- The industry should work on dynamic capability, recognising the capabilities of the organisation
- The Sialkot industry is already using fair trade certification as a competitive advantage. However, it is essential to use it entirely concerning their business resources and employees' unique stitching skills. As a result, this will indirectly impact the business performance.
- Storytelling posts will create a strategic relationship with customers, and retaining big-spend customers is the backbone of successful strategies
- The sports ball industry can think of Strategic alliances with ethical consideration in the European market where Fairtrade has always been appreciated.
- Sialkot sports industry should build acceptable websites.
- Sialkot sports industry should take advantage of the digital era and advertise their Fairtrade sports on social media, which would help build trust between the industry and western consumers. Collaboration and trust are the reason behind an effective customer intimacy strategy.
- Producers should look for new markets as fair trade certificate allows Sialkot producer an access to developed countries. This facility should be fully availed to explore the potential in new market.
- The Sialkot industry is already using fair trade certification as a competitive advantage. However, it is important to use it fully with respect to their business resources and employees unique stitching skills. Ultimately, this will improve product quality and demand in the market.

## **7.7 Conclusion**

The present fair trade approach in Sialkot sports balls shows irregularities that need attention. The South Asian sports industry shows fair trade existence for over 18 years; however, so far only six firms are registered whereas one firm refused to renew fair trade registration. There are certain concerns that need to be addressed. Overall, the finding shows a healthy impact on factory workers welfare and well-being. Also, a spill-over effect has been noticed. The industry has taken significant measure to ensure environmental protect in their possible ways. There is a lack of interest in fair trade product from Sialkot sports industry management and fair trade organisation. There is great emphasis needed to create the demand for sports products.

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## APPENDICES