Recruitment Practices Briefing

Guidance for Toy Factories on avoiding peak season hiring pitfalls
The seasonal swings in production demand at toy factories creates a need to substantially increase the workforce during the summer months.

This added pressure, and high intake of workers creates risks which can lead to poor recruitment practices. This briefing provides clear guidance and best practice on how to avoid such pitfalls, and practical tips to help factories adhere to the Ethical Toy Program requirements.

In this briefing:

1. An overview of recruitment challenges faced by toy factories
2. Best practice guidance on recruiting workers at peak production season
3. The benefits of worker education and recommended areas of focus
4. Suggestions on how to create internal communication mechanisms to identify risk and empower workers

Toy factory worker numbers fluctuate by 58% between high and low season

Source: Michael Wolf
Introduction to recruitment challenges faced by toy factories

Given the labor intensive nature of toy manufacturing, it is essential that toy factories adopt good recruitment processes to avoid key risks and to fulfil the requirements of Ethical Toy Program certification.

The extreme seasonality in demand in toy production has a major effect on production scheduling. The peak manufacturing season of the summer months requires an increase in workforce to meet production requirements.

Statistics from the Ethical Toy Program show that the number of workers can fluctuate by an average of 58% between low and high production season. Labor shortages also pose a problem, as well as competition for workers from other factories.

Poor recruitment procedures can occur as factories struggle to recruit the quantity of workers needed to fulfil orders during peak production periods.

From inadequate planning and forecasting to poor production management, research has also shown that buyer purchasing practices can also undermine a factory’s compliance with company codes of conduct, putting at risk the rights and welfare of toy supply chain workers. If proper recruitment processes are not followed, there is an increased risk of hiring underage workers, or forced laborers. Associated risks may also include wage violations, excessive hours of work, unauthorized subcontracting, or precarious work – any of which may result in non-compliance with the standards required to maintain Ethical Toy Program certification.

Experience tells us that when a factory develops a robust and practical hiring procedure they can avoid these.

Both toy buyers – and the factories which supply them – have clear responsibilities to ensure that recruitment practices respect the rights and welfare of toy supply chain workers.

This briefing provides straightforward guidance to help factories to avoid poor recruitment procedures and incorporate Ethical Toy Program requirements into their HR system in order to provide a safe and fair working conditions to the workers right from the start of recruitment process.

Further best practice guidance on developing HR practices (including working hours, underage labor, wages and compensation) is available in the Ethical Toy Program Audit Checklist.
### ICTI Code of Business Practices - Core Principles

The ICTI Code of Business Practices require toy factories to uphold the following principles in their recruitment – and employment – of workers:

<table>
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<tr>
<th>Principle</th>
<th>Description</th>
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<tr>
<td>Working hours must not be excessive and overtime must be voluntary</td>
<td>This principle ensures that working hours are reasonable and that employees have control over their own time, with overtime being voluntary.</td>
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<tr>
<td>Legal and fair pay</td>
<td>Workers are entitled to fair compensation and legal protection.</td>
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<tr>
<td>No child labour</td>
<td>The use of child labour is strictly prohibited.</td>
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<tr>
<td>No forced or involuntary labour</td>
<td>Workers should not be coerced into labour. This includes situations where an employee is forced to work against their will.</td>
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<tr>
<td>No discrimination</td>
<td>All employees should be treated equally, without discrimination based on age, gender, religion, race, or any other personal characteristic.</td>
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<tr>
<td>Employees must be treated with dignity and respect</td>
<td>Workers should be treated with respect and dignity, including in terms of their working environment.</td>
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<tr>
<td>Employees right of association observed</td>
<td>Workers have the right to join and participate in associations and unions.</td>
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<tr>
<td>Individual written labor contracts must be provided</td>
<td>Each worker should have a written contract that specifies their employment conditions.</td>
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<tr>
<td>Working conditions are safe and employee health is not endangered</td>
<td>Workers should have safe working conditions and their health should not be endangered.</td>
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<tr>
<td>The factory is responsible for hiring practices</td>
<td>The factory is responsible for hiring practices, even if a third party is used for recruitment or hiring.</td>
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<tr>
<td>No worker should pay for a job</td>
<td>Workers should not pay for work, whether directly or indirectly through a labour agent. The costs of recruitment should be borne by the factory, not by the worker.</td>
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Detailed instructions on how to comply with these core principles are available in the [Ethical Toy Program Audit Checklist](http://www.ethicaltoyprogram.org).
The first step is ensuring your Human Resources (HR) staff fully understand your hiring criteria i.e. zero tolerance on underage labour.

You should ensure that you have clearly communicated to your HR staff that they must follow legal and ethical practices throughout the recruitment process. By providing support and training for your recruitment staff you can ensure that they will follow such practices.

**Best practices tips to follow:**

- **Written policy and procedures**
  - Like toy brands, toy factories should have written recruitment policies and procedures on the subjects of child labour, forced & prison labour, discrimination, and ensure they are followed through the recruitment process.

- **Qualified HR personnel**
  - Employ qualified HR personnel with good understanding of labour law to oversee the recruitment process.

- **Keep good personnel files**
  - Keep good records of personnel files for all workers i.e. documentation supporting age information.

- **Never withhold worker ID**
  - Never withhold workers identification documentation for an unreasonable amount of time, have photocopying equipment nearby the recruitment centre to expedite the process of copying identification papers.

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Best practice in tackling recruitment challenges

How to avoid underage labour:

During the hiring process:

- Clearly display the legal consequences and repercussions of using falsified, forged or borrowed identification documentation at the recruitment centre.
- When verifying identification documentation, to ensure that it is genuine and not falsified you must carefully examine the photo on the ID, use software to inspect if the ID number is valid, and ensure the information matches what has been provided.
- Require workers to present a second proof of identity, as well as their ID card.
- Cross check information provided through questions to determine that they are the person on the ID card.
- Verify that their signature matches with that on the identification documentation.
- In times of doubt, always have supervisor interview the worker until all uncertainties are clear.

Once workers are employed:

- Perform random ID checks, this will identify any workers who borrowed ID when they were hired as they will no longer be in possession of the ID.
- Randomly ask the worker their birthday; workers who borrowed ID may answer their real birthday and miss-match with the one in personnel record.

Employing younger workers:

If young workers (above the minimum age and below the age of 18) are hired, besides following the legal requirement on labour contract & payment etc., the factory should maintain a name list of the young workers with their assigned working positions, and follow up legal work restrictions for example, working on hazardous operations, night shift, etc. Periodic health checks must be followed as well.

What to do on discovery of underage labour:

The factory should stop using the underage worker immediately and inform the Ethical Toy Program.

A health check should be provided to verify the health of the underage worker.

Wage compensations to the child labourer should not be lower that the local minimum wages.

The underage worker must be accompanied home by a factory representative.

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An Internship Agreement must be executed among the student, the School, and the Receiving Entity before the student may undertake a hands-on internship or apprentice internship. The parties to the agreement must each retain a copy.

Where a student undertaking an apprentice internship or hands-on internship is younger than 18, his/her parent or legal guardians shall provide an informed consent letter.

Neither the school or the receiving entity should arrange internships via an agency or paid brokerage service.

Students must NOT be charged for any internship-related fees or identity cards be retained, or be required to provide any security.

Work on statutory holidays, overtime, and night shifts are not allowed.

Remuneration for hands-on interns must NOT be less than 80% of that offered to regular employees in the corresponding full-time work position during their probationary period.

Advice on using labour agents or brokers:

Factories should ensure that labour agents or brokers are aware of the factory’s policy and recruitment requirements on subjects of child labour, forced & prison labour, discrimination.

Factories must confirm that labour agents are a legal and qualified broker/agent, and keep a record of their agreement with the labour agents or brokers.

Factories should require labour agents or brokers to provide documentation specifying the policy/procedure taken to ensure that all workers are hired voluntarily, and that no underage workers are hired, and no discrimination is applied in recruitment (e.g. on basis of age or gender).

All wages must be directly paid to the workers without involving the agent/broker.

The factory should ensure that the workers from the broker or agent are being treated fairly and legally.

How to avoid forced student labour:

In China, the Ministry of Education has released new rules to follow when hiring student labour, here are a few of the new rules which you must adhere to:

- An Internship Agreement must be executed among the student, the School, and the Receiving Entity before the student may undertake a hands-on internship or apprentice internship. The parties to the agreement must each retain a copy.
- Where a student undertaking an apprentice internship or hands-on internship is younger than 18, his/her parent or legal guardians shall provide an informed consent letter.
- Neither the school or the receiving entity should arrange internships via an agency or paid brokerage service.
- Students must NOT be charged for any internship-related fees or identity cards be retained, or be required to provide any security.
- Work on statutory holidays, overtime, and night shifts are not allowed.
- Remuneration for hands-on interns must NOT be less than 80% of that offered to regular employees in the corresponding full-time work position during their probationary period.

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An empowered workforce is a happier more productive workforce

Recommended areas of focus in terms of worker education

Education empowers workers; when workers are provided with information and training when they first join the factory, there are long-term positive effects for both workers and for the business as a whole. Ethical Toy Program requires factories to provide sufficient pre-job and environmental health and safety (EHS) training to workers. Training should include the following:

### Information for workers

- On working hours, legal minimal wages, voluntary overtime, disciplinary policy etc. This can be provided at initial worker orientation meetings, employee handbooks, notice boards, or other worker facilities. This will build their knowledge whilst safeguarding against unethical labour practice.

### EHS Training

- Provide job-specific EHS training covering proper use of Personal Protective Equipment (PPE), chemical safety, machinery safety.

### Emergency plans

- Hold a workshop to explain fire prevention and emergency plans.
- Train workers to ensure they are aware of alarm signals, emergency evacuation exit routes and the assembly area to go to on evacuation.
- Hold regular fire drills for permanent and temporary staff.

Ensuring employee welfare

The following welfare measures will help lower turn-over rate and retain workers to reduce the pressure on recruiting:

- Provide diversified food in canteen
- Provide recreation area
- Better dormitories, especially rooms for couples
- Better washroom facilities

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Listen to workers to identify risk

Suggested internal communication mechanisms
Feedback from employees is a key resource for factory management. Once workers have completed all recruitment processes and pre-job training, worker feedback will help management identify areas for improvement. When employees are given the forum to inform management of inadequate labour practices, this feedback allows them to be quickly addressed. Here are some suggestions to aid worker-management communication:

Ensure workers understand that they are welcome to share their opinions
- Actively encourage workers at all levels to share their thoughts and provide feedback to factory management without risk of retribution.
- Provide mechanisms for workers to voice their opinions - anonymously if they prefer – through, for example, worker surveys, suggestion boxes, or mobile phone applications.

Establish an internal grievance mechanism
- Provide numerous options for workers to approach management with any issues or concerns without fear of retribution (e.g. internal hotline/wechat, suggestion box, worker representatives).
- Enable workers to approach higher levels of management in addition to their supervisor on issues of concern.
- Educate all new workers on grievance channels.

Make use of Ethical Toy Program Worker Helpline service
Established in 2010, the Ethical Toy Program Worker Helpline is a free resource for toy factories and their workers. The purpose of the Helpline is to create successful, harmonious working environments at factories. The helpline provides guidance and support for workers employed in toy factories to effectively manage their work-related issues and personal lives.

A growing number of factory managers report that the Helpline’s simplified procedure provides a useful communication channel and effective worker-management labor dispute mechanism as it allows managers to assess real-time situations and uncover potential abuses, hazards or other issues that they may have been unaware of but need to address urgently.

The helpline is promoted via Helpline Cards, which inform workers of their rights, and provide contact numbers for the toll-free Helpline service.

In order to take advantage of the multiple benefits offered by the helpline, we recommend that toy factories:
- Share the ideas and support provided by the Ethical Toy Program Helpline with workers
- Distribute the Helpline Cards to all workers and display the poster in public areas (i.e.: canteen, notice board)
- Encourage workers to call the helpline without fear of retribution
- Encourage workers and supervisors to raise their enquiries to the helpline to minimise any misunderstandings

Helpline number: 4001-583580

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