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.
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 fulfill 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 fulfill 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 child 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](www.ethicaltoyprogram.org).

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

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>No forced or involuntary labor</td>
<td>The factory is responsible for hiring practices (child labor, forced labor, minimum wage etc.) even if a third party is used for recruitment or hiring of workers.</td>
</tr>
<tr>
<td>No child labor</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>No discrimination</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Employees must be treated with dignity and respect</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Working conditions are safe and employee health is not endangered</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Individual written labor contracts must be provided</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Working hours must not be excessive and overtime must be voluntary</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Legal and fair pay</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
<tr>
<td>Employees right of association observed</td>
<td>No worker should pay for a job, whether recruited directly by a factory, or indirectly via labor agent - the costs of recruitment should be borne not by the worker but by the factory.</td>
</tr>
</tbody>
</table>

Detailed instructions on how to comply with these core principles are available in the [Ethical Toy Program Audit Checklist](http://www.ethicaltoyprogram.org).
Like toy brands, toy factories should have written recruitment policies and procedures on the subjects of child labor, forced & prison labor, discrimination, and ensure they are followed through the recruitment process.

Best practices tips to follow:

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

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

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

4. **Never withhold worker ID**
   - Never withhold worker identification documentation for an unreasonable amount of time. Create records of worker personnel files while verifying their identities, return all related documentation to them as soon as the process has been completed.

[www.ethicaltoyprogram.org](http://www.ethicaltoyprogram.org)
Best practice in tackling recruitment challenges

How to avoid underage labor:

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, you must carefully examine the photo on the ID and use hardware equipment (i.e.: ID card scanner) to ensure that it is genuine and not falsified.
- If you have any doubts about the authenticity of a worker’s identification documentation, require them to provide additional documentation (i.e.: Social Security Card or proof of address) for cross-checking.
- Cross check information provided through questions to determine that they are the person on the ID card.
- In times of doubt, ask more questions in the interview until all uncertainties are clear. If you are still not confident that they can prove their age, we recommend not to consider the candidate.

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.
- Workers who use borrowed ID or provide forged identification documentation may drop their guard after joining the factory. Random interviews may help to identify those workers.

What to do on discovery of underage labor:

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.

Employing younger workers:

If young workers (above the minimum age and below the age of 18) are hired, besides following the legal requirement on labor 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 in accordance with legal requirements.

www.ethicaltoyprogram.org
Best practice in tackling recruitment challenges

Advice on using labor agents or brokers:

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

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

Factories should require labor 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).

No deduction and underpayment of wages.

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

How to avoid forced student labor:

Students voluntarily participate in work during winter and summer holidays. Factories should pay attention to the following when recruiting students:

- Use legal recruitment channels to ensure that students are hired voluntarily.
- Students must NOT be charged any recruitment fees; their student documents such as identity cards, student cards should NOT be retained. Students should NOT be required to provide guarantee fee or pay charges for any other reasons.
- Students must meet the minimum age for admission to work. For juvenile labor, health checks and appropriate job duties must be arranged in accordance with legal requirements. Meanwhile, night shifts are NOT allowed.
- Sign labor contracts with recruited students, and stipulate the term of labor contracts according to actual needs.
- In accordance with the provisions of the labor contract, pay full wages on a regular basis.
- When a student resigns, his/her salary shall be settled in one lump sum. Deduction of wages is not acceptable.

www.ethicaltoyprogram.org
An empowered workforce is a happier more productive workforce

Key points for employee training program

Employee training can help employees to adapt to a new working environment and it is required by law. 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 labor 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.
  - Short-term workers (i.e.: summertime workers, temporary workers) are also required to participate in regular fire drills.

Ensuring employee welfare

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

- **Hygienic and diversified food in the canteen**
- **Attractive recreational activities and facilities**
- **Warm and comfortable accommodation**
- **Well-equipped toilets and shower facilities**

www.ethicaltoyprogram.org
Listen to workers to identify risk

Suggested effective internal communication mechanisms

Feedback from employees is important to help the factory improve their management skills. If employees are able to share feedback with management through the established channels would help factories to respond quickly. 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.

Assign designated members of staff to collect and follow up on worker’s feedback. Update workers on the progress and results regularly to demonstrate it is an efficient channel.

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

www.ethicaltoyprogram.org