

Producing toys—child's play?

You are the product manager of a confectionery company that includes small plastic toys with its chocolate sweets. Having met a potential Thai manufacturer of these toys at a trade fair in Europe, you now visit the company in the north-eastern part of Thailand to finalize a two-year supply contract. Arriving there and talking to the sales manager, you are able to arrange a deal that supplies you with the toys at a third of the cost currently charged by your Portuguese supplier, but with equivalent quality and supply arrangements.

In order to check the reliability of the manufacturing process you ask the manager to show you around the place. You are surprised to find out that there is no real workshop on the premises. Rather, the production process is organized such that at 6am, about 30 men line up at the company's gate, load large boxes with toy components on their little carts or motor-scooters and take the material to their homes.

Your prospective supplier then takes you to one of these places where you see a large family, sitting in a garage-like barn assembling the toys. Not only are the mother and father doing the job, but also the couple's six children, aged 5 to 14, who are working busily—and from what you see, very cheerfully—together with the parents, while the grandmother is looking after the food in an adjacent room. In the evening, at around 8pm, the day's work is done, the assembled toys are stored back in the boxes and taken to the workshop of the company, where the men receive their payment for the finished goods. At the end of the week, the toys are shipped to the customers in Europe.

As you have never come across such a pattern of manufacturing, your Thai partner explains to you that this is a very common and well-established practice in this part of the country, and one which guarantees a good level of quality. Satisfied, you tell the Thai manager that you will conclude the paperwork once you get back home, and you leave the company offices happy in the knowledge of the cost savings you're going to make, and quietly confident that it will result in a healthy bonus for you at the end of the year.

On your way back, while buying some souvenirs for your 5- and 7-year-old nieces at the airport, you suddenly start wondering if you would like to see them growing up the same way as the child workers that you have just employed to make your company's toys.

Questions

- 1 Reading the case and putting yourself in the role of the product manager, what would your immediate gut reaction be?
- 2 Based on your spontaneous immediate decision, can you set out the reasons for your choice? Also, can you relate those reasons back to some underlying values or principles that are obviously important to you?