



Tackling Childcare: The Business Case for Employer-Supported Childcare

CASE STUDY

Martur

Automotive Component Manufacturing, Turkey

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Turkey



Economy name:
Turkey

Main business city:
Istanbul*

Region:
Europe & Central Asia

Income level:
Upper Middle income

Population:
75,837,020

Female population:
38,599,168

Labor force participation (15+):
32.5% female
71% male

Compulsory primary education enrollment age:
6 years



Leave policies

Paid maternity leave	Yes	112 days
Paid paternity leave	Yes	5
Paid parental leave	No	0



Legal obligation for employers to support childcare

	0-2 years	3-5 years
Obligation for employers to support childcare?	Yes	Yes, up to 5.5 years
Based on the number of female employees?	150+ (childcare centers)	150+ (childcare centers)
Based on the number of employees regardless of gender?	No	No
Special legislation on employer-provided childcare?	Yes	Yes



Government incentives to employers to support childcare

Tax benefits to employers to support childcare?	No	No
Non-tax benefits to employers to support childcare? (monetary and/or nonmonetary benefits)	No	No



Quality of private childcare services

License or registration required?	Yes	Yes
Zoning requirements?	No	No
Pupil-teacher ratio required?	No	No
Penalties for noncompliance with laws?	No	Yes

Note: Laws applicable to private preschools providing services for children ages 3–5 include provisions on zoning standards.

*The *Women, Business and the Law* data are based on domestic laws and regulations that apply to the main business city of the economy. For more information on the methodology including the maternity/paternity/parental leave calculation methodology, visit wbl.worldbank.org

Martur

Automotive Component Manufacturing, **TURKEY**

PARENTS, WORK, AND CHILDCARE IN TURKEY

Turkey's economy has grown considerably over the past 15 years, resulting in increased employment and income levels and important progress on core human development indicators. Educational outcomes for women, in particular, have improved, leading more women to join the labor force (Munoz Boudet and Wiseman, 2015). However, there is scope for further progress. Women's labor force participation in Turkey remains less than half that of men, at 32.5 percent in 2016 (Turkstat, 2016), and Turkey ranked 129 out of 144 countries covered in the economic participation and opportunity index of the World Economic Forum's 2016 Gender Gap Report (WEF, 2016). Reducing these gaps could lead to potentially powerful economic gains: global consulting firm McKinsey estimates that Turkey's Gross Domestic Product (GDP) would increase by around 20 percent by 2025 if women's labor force participation rate could be boosted to the Organization for Economic Co-operation and Development (OECD) average of 63 percent (McKinsey and TÜSIAD, 2016).

Although there are several reasons for the persistent gender gaps in workforce participation in Turkey, women's role as the main caregivers for children is a key factor. Recent time-use data indicates that women in Turkey, on average, spend about 4.5 hours per day on household activities and family care, compared to around 50 minutes for men.¹ This has an impact on women's ability to work outside the home. A World Bank survey found that 71 percent of women who quit paid employment did so because of childcare responsibilities (World Bank, 2015). At the same time, recent poll data suggests that the preferred option for 87 percent of women (and more than 60 percent of men) in Turkey is for women to have a paid job or to combine paid work and family responsibilities (Gallup and ILO, 2017).

In this context, access to childcare can be instrumental in helping mothers to effectively combine work and family responsibilities. Childcare services in Turkey are provided mainly by the public sector (83.8 percent of all providers), with the majority of childcare and preschool capacity accounted for by preschool classrooms in primary schools (54.7 percent) (World Bank, 2015). Although there are gaps in coverage and availability of center-based childcare in Turkey,

Martur's **Employee Profile** 2016:

- 57% of Martur's Kütahya plant's 918 employees are women
- 22% (114) of female employees have children younger than age six
- 36% (143) of male employees have children younger than age six

Martur supports **parents with children** through:

- Reserved slots (free) in local childcare centers for female employees
- 25% discount in private childcare centers/schools
- Free summer vacation camps
- Free sport schools
- Free supervised transport for children to/from childcare centers
- A safe space for mothers to extract and store breast milk

Key **business impact** of providing childcare support

- Recruitment and retention of women employees in region with low maternal employment and strong culture of mothers not working outside the home
- Productivity improvements due to reduced staff turnover and absenteeism



PHOTO: COURTESY OF MARTUR

CHILDREN AT ONE OF MARTUR KÜTAHYA'S PARTNER CHILDCARE CENTERS.

especially in rural areas, affordability appears to be the main constraint on access to childcare. According to research by the World Bank (2015), formal childcare is too expensive for the average household in Turkey. Median monthly fees for full-day care range from 300 Turkish lira (\$84) for public providers to 700 Turkish lira (\$197) for private facilities—more than most families are willing to pay (World Bank, 2015).

Against this backdrop, improved access to affordable childcare is a critical lever for reaching national objectives on women's labor force participation, as formulated in the Turkish government's first-ever National Action Plan on Women's Employment 2016–2018 (MoLSS and İŞKUR, 2016) and its Tenth National Development Plan 2014–2018 (MoD, 2014). Encouraging more private sector organizations to offer childcare services responds to these policy objectives (AFD and Development Analytics, 2015). Private preschools accredited by the Ministry of National Education are eligible for income tax exemptions for a period of five years, and, in 2014, kindergartens and daycare centers were added to the government's list of priority areas for private investment, making them eligible for a range of additional tax reductions (AFD and Development Analytics, 2015; Investment Support and Promotion Agency, 2017). Moreover, national law requires

all workplaces with more than 150 female employees (irrespective of age or marital status) to provide childcare services.² However, enforcement of this provision is not always effective and some employers may prefer to pay the monthly noncompliance fine of about 1,200 Turkish lira (\$336) (AFD and Development Analytics, 2015), especially given that operating costs for private crèches are estimated at 21,200 Turkish lira per month (\$5,935) (World Bank, 2015).

This case study examines the impact of childcare and other supports for working parents offered by the Kütahya plant of Martur, a Turkish automotive component manufacturer. Martur offers free childcare in local childcare centers to its female employees, as well as summer and sports camps and other family-centered activities for all its employees. Offering childcare benefits has dramatically improved Martur's recruitment of women in its factory. It has also been a major factor in raising productivity by improving one of Martur's key performance indicators: staff turnover rates.³

COMPANY BACKGROUND

Martur Fompak International ("MFI" hereafter) is a leading group of companies supplying high-quality components to the automotive industry for more than 30 years. It has 5,700 employees in 20 production plants, research and development, E&D, design, project, and customer management centers located in Turkey and Europe. MFI produces automotive seating systems, interiors, plastics, trim parts, metal forming, steel service, automotive textile, and vehicle conversion. Production centers in Turkey are in Bursa, Gölcük, and Kütahya. Production centers are also located in Algeria, Romania, and Russia. In addition, the company has textile design offices in Cologne and London, and engineering offices in Bucharest, Paris, and Turin. MFI headquarters for Turkish operations is in Istanbul; for other locations, headquarters is in Paris.

Women at the Martur Kütahya Plant**20%** 3 of 15 senior management positions**16%** 5 of 31 middle management**71%** 15 of 21 shift leaders**86%** 12 of 14 administrative staff**58%** 487 of 837 operational staff**BUSINESS CONTEXT FOR SUPPORTING CHILDCARE**

Martur's Kütahya plant has 918 employees, the majority (57 percent) of whom are women. Martur operates a just-in-time environment, where quality and timeliness are of utmost importance. The plant aims to become a global center of excellence in car seat production, provide internal consulting for other Martur plants, and support Martur's overall strategy of expanding into the high-end automotive market. Having a stable workforce with low turnover and absenteeism is a prerequisite for meeting these goals. Childcare supports play a crucial role in creating the preconditions for Martur to succeed.

Employment at the plant has grown rapidly from the time it was newly built in 2007, "With 27 sewing machines and employing just 18 women and 15 men to 522 women and 396 men and 237 sewing machines at the end of 2016," according

to Salim Dogan, Director for Textile Operations and Manager of the Kütahya site. Kütahya is a provincial town with close to a quarter of a million inhabitants. Martur moved to Kütahya as part of its expansion strategy, taking advantage of the greater availability of labor than in Bursa (its main location and the center of the automotive industry in Turkey), and in response to local economic development incentives. Unlike the city of Bursa, which has a substantial female industrial workforce, few women in Kütahya had worked in an industrial setting before, and many had no experience in paid work outside of the home or family.

Most women who joined Martur had not yet started a family. According to Zeyit Damar, Human Resource Manager at the Kütahya plant, the average age of workers at the plant is 31 years, much younger than the regional average of 41 years. Historically, few married women in the region, particularly mothers, were in the labor market. Providing childcare has enabled and encouraged women to stay with the company for the long term, while communicating to the broader community that Martur is a good employer for women. Dogan explained, "We want to hire women, but to do so we need to provide for balance between work and family because in Turkey women are expected to do a lot of house and family work."

"Our goal is to have no all-male (or all-female) sections: quality and productivity seem to be higher when there is at least some gender mix. This is why [in Bursa] we have made efforts to recruit women in sections such as welding where it is not common for women to work."

Hülya Alper Polatcan, Human Resources Director, Martur Fompak Turkey

Women make up the majority of the workforce in the plant's sewing section. Yet, all sections of the plant employ both men and women. For example, 25 men work in the sewing section, and 30 women are employed in the fabric dying, spinning, and weaving sections, which can involve heavy lifting and predominantly employ men. Hülya Alper Polatcan, Martur Fompak Turkey HR Director, explained that the company deliberately maintains gender diversity in all sections. In the company's experience, sections with at least some diversity are more productive than all-male sections.

HOW MARTUR SUPPORTS WORKING PARENTS WITH CHILDCARE NEEDS

Developing the childcare market space

Martur Kütahya supports its employees and their families through benefits such as free childcare, summer camps, and children's sports club activities. "Family is the most important value for our employees. People work here to provide a better future for their children. This is why family figures highly in our benefits, and indeed, our human resource management policies more generally," explained Damar. In addition to the childcare-specific supports, the company also offers monthly food packages, statutory paid maternity and additional job-protected unpaid leave, statutory paid paternity leave, reduced overtime and shift working, a psychologist, and a dietician.

The first step in Martur's Kütahya's childcare strategy was to develop the supply of childcare. "It was not easy to find childcare facilities. When we started there were no other employers who provided childcare supports for their employees. The number of childcare centers was limited, and they typically did not have enough space to meet our

demand," recalled Damar, Human Resource Manager at the Kütahya plant and the person responsible for the strategy. Kütahya had some private or nonprofit childcare centers, but they either were not able to expand to provide care for the number of children Martur was looking for, were not of the quality that Martur was seeking, or both. Progressing from making the decision to offer childcare to being able to do so took approximately one year. During that period, the HR managers at Martur visited existing childcare centers, reviewed quality, and assessed capacity for expansion. In 2014, Martur started providing childcare services; Martur children accounted for slightly more than half of the children in that center. By the first half of 2015 Martur had contracts with two early childhood centers to provide childcare for its female employees' children. A contract with a third provider began in the second half of 2017, and the company is planning to eventually expand to four providers.

The first preschool center, which caters to children ages three to six, significantly expanded to accommodate demand from Martur. The second center that Martur works with, a center catering to children up to age six, tripled its staff from five in 2014 to 15 in 2015, at least partly in response to demand from Martur. Its co-owner, Emine Yaglioglu, a journalist and mother of a 13-year-old daughter and two-year-old son, founded the childcare center in part because she had been unable to find early childhood education for her daughter, which made



HÜLYA ALPER POLATCAN, HUMAN RESOURCES DIRECTOR, MARTUR FOMPAK TURKEY, WITH CHILDREN AND A STAFF MEMBER AT ONE OF THE CRECHES USED BY MARTUR IN KÜTAHYA.

PHOTO: COURTESY OF MARTUR

“I went to the childcare centers saying: I am responsible for the well-being of 44 kids. What can you do for us? I came with considerable negotiating power.”

**Zeyit Damar, Human Resource Manager,
Martur Kütahya plant**

her life as a working woman difficult, while at the same time depriving her daughter of developmental opportunities. Apart from an increased corporate demand for childcare, she also observed that more young professional families are moving to Kütahya, unable to rely on their extended families for childcare supports.

Martur reserves a set number of slots in each center, targeted at about 20 percent of its actual projected demand, to allow for contingencies and growth. Under Martur’s contract, the company will pay the monthly fees for any child that has used the crèche for at least one day that month. However, if parents decide to move a child after a couple of months, no fees are due for the remainder of the year. Initially, Martur organized and paid for transport to and from the childcare centers; this service is now part of the contract with the childcare centers. (Martur helped the centers find providers that met the regulations for transporting children.)

An important component of Martur’s childcare strategy is expanding the demand for childcare in the town for working parents, and thus improving the stability of demand for its childcare suppliers. Martur is a well-respected member of Kütahya’s business community, and freely shares its experiences, including the benefits it has reaped from its childcare strategy. Three additional employers are now

providing childcare supports for some of their workers, and Martur hopes that the number of companies will continue to grow.

Quality, including healthy and safe work processes, is a hallmark of Martur’s operations. When Damar put forward the childcare concept for approval from corporate headquarters, the only condition was to ensure that the childcare facilities met all relevant quality indicators. Martur’s quality assurance staff conducts annual health and safety audits of each center to ensure that the physical environment meets all requirements for children. It relies on the Department of Education’s oversight process to ensure that centers meet all standards in relation to the curriculum, child-teacher ratios, and other educational practices.

Free childcare in selected local childcare centers

Female employees at the plant are entitled to free full-day childcare for children up to age six, which is provided by two (and soon three) private childcare centers in the town of Kütahya. The centers are at different locations to facilitate



CHILDREN DURING PAINTING LESSON AT ONE OF THE CRECHES USED BY MARTUR IN KÜTAHYA.

PHOTO: COURTESY OF MARTUR

“We became the employer of choice—the only one to offer childcare. Employees went to their employers saying: If they can do it, why can’t you do so, too? Now other employers are following us.”

**Zeyit Damar, Human Resource Manager,
Martur Kütahya plant**

getting children to and from the center. The Martur plant is in an industrial zone outside of town; the zone does not have any suitable space for a childcare center.

Martur realized the need for childcare through employee exit interviews. Günes Cetin, Plant Manager for Cutting and Sewing, recalled, “During exit interviews we often heard about difficulties with childcare—how hard it was to find a babysitter, how their mother or father were not well, and not really able to look after the children, how it was too expensive to pay for childcare. The women said, ‘I want to work here, I need the money, but I cannot find a babysitter.’”

The childcare benefit has a high value. Cetin explained that a woman with two children in the childcare centers effectively more than doubles her salary. A female manager and mother of two children recalled, “Childcare is the main problem in the life of working mothers. When I was younger, before I worked at Martur, my employer did not offer childcare. I had to leave my children with their grandmother, I rarely saw them. I left that employer because of that.” Another woman, an operator working in quality control, added, “Not everyone here has

parents or in-laws who can help. And not everyone is married. Some of us are divorced. We need to work, and we really need the childcare.” Another female operator described the benefits of the childcare for herself and her child: “Once we had childcare, everything became more orderly. And the childcare center teaches my child things, like English, that we are unable to provide.” Her colleague added, “The children see us as role models because we work here. And my daughter has learned new words in the childcare center. She develops much more than she would if she just stayed with her grandmother.”

Martur negotiated with the childcare centers to be open from 7 a.m. until 6 p.m., Monday through Saturday (all workdays). Martur operates two shifts for operators, from 8 a.m. to 4 p.m. and from 4 p.m. to midnight, six days a week, and 8:30 a.m. to 6:15 p.m. for administrative workers, five days a week (the statutory work week in Turkey is 45 hours). Initially, Martur also offered evening childcare, but it quickly became clear that there was no demand during those times. Typically, parents are able to provide care for their children during those periods, such as through grandparents, spouses, or older siblings, and prefer that children are home at bedtime. There also has been no demand for afterschool care for older children. Damar explained, “Our employees are very vocal when it comes to what they need. If aftercare was an issue, we would have heard about it.” One female sewing machine operator explained, “I work the second shift. During the evening, my husband takes care of the children. If my husband did not support me, I would not be able to work.”

“During exit interviews [...] women said, ‘I want to work here, we need the money, but I cannot find a babysitter.’”

**Günes Cetin, Plant Manager, Cutting and
Sewing, Martur Kütahya plant**

“The children see us as role models because we work here. My daughter has learned new words in the childcare center, she has developed much more than she would have if she only stayed with her grandmother.”

Female sewing machine operator, mother and user of childcare benefit, with child in crèche, at the Martur Kütahya plant

Transportation

As is common in the sector, women working in factories are provided free transport to and from work. Martur also provides free transport for workers’ children to and from the childcare centers. Children are picked up in the morning before workers in the morning shift are collected so parents can see their children off to the crèche; and they are transported back at the end of the day. As a company with quality at the heart of its business concept, it is very important for Martur to provide child-appropriate transportation. Buses are fitted with child-safe car seats and include the services of an “older sister”—a woman hired to travel with the children on the minibus to ensure that they get out of the bus and back home safely.

Summer camps and sports activities

All employees can send their seven- to 12-year-old children to free summer camps when schools are closed, and to sports camps during the school year. Martur covers all costs, including sportswear and shuttle services to and from the location of the activities. In 2017, the children of 30 female and 25 male employees used the summer camps. Typically, the Kütahya plant is closed for two to three weeks each summer for annual maintenance, during which time all employees are on paid leave. This allows parents to provide care for their children in the summer when schools are closed.

Discounted early childhood education

Martur offers free childcare only to its female employees at the Kütahya plant, and limits it to selected childcare centers. Both male and female Martur employees in Turkey, however, can receive a 25–30 percent discount in private preschools.

Parental and other leave

Martur provides maternity leave in line with Turkish legislation: eight weeks of fully paid leave before the expected delivery date and eight weeks post birth (paid by Turkish Social Security). Following that period, women may take an additional six months of unpaid job-protected leave. Fathers are entitled to five days of paid leave, adoptive parents (of children under three years) to three days of paid leave, and parents of a disabled or chronically ill child to 10 days of

“Not everyone here has parents or in-laws who can help. And not everyone is married. Some of us are divorced. We need to work, and we really need the childcare.”

Female sewing machine operator, mother, Martur Kütahya plant

paid leave. Following leave, biological mothers (or adoptive parents) are entitled to work half time for 60 days for a first child, rising to 120 days for a third child, and receive the other 50 percent of their full-time earnings through public benefits (Zelkin, 2016). Women who are pregnant can only work the day shift, and they are limited to 7.5 working hours.

In 2015 and 2016, 44 women went on maternity leave; 84 percent of them returned to work following leave and were still employed a year later. In Turkey overall, fewer than a third of women with children younger than 14 are in the workforce (OECD Family Database, 2016).

In line with Turkish law, employees at Martur also receive paid time off when they are sick. This is paid through Turkish Social Security. Paid sick days are not available for a child's illness. However, when a parent must take time off because a child is sick, the company makes all efforts to accommodate the parent, for example by trying to find someone from a different shift to swap.

Breastfeeding leaves and lactation stations

According to the 2013 Labour Act, Article 74, mothers of children younger than one year old may take 1.5 hours' break time per day to breastfeed their child, at any time of their choosing. Nursing mothers can use a private, secluded room equipped with a comfortable armchair, air conditioning, window blinds, and a refrigerator for milk storage for breastfeeding and lactation. At Martur, female operators typically combine their daily lactation leave to reduce the number of working days from six to five; mothers working in the administrative section tend to work a reduced day instead. Whichever option is chosen, Martur provides free transport home if a woman needs it for breastfeeding.

Adjusting shift patterns and limiting overtime requirements

At Martur's Bursa plant and other operations, the company runs a continuous shift system, with three shifts per day. The Kütahya plant, however, only runs two shifts because they experienced high turnover rates and difficulty recruiting for the night shift. The Kütahya plant additionally limits mandatory overtime to 5 percent of working hours (under Turkish law, employers can mandate up to 15 percent overtime, or 270 hours per year). According to Damar, even though paid at an enhanced rate, the overtime requirement was unpopular with

Parental Leave at Martur Kütahya from 2015 to 2016

44

women took maternity leave

37

mothers (84%) returned from maternity leave and were still employed a year later

66

men took paternity leave

female employees, and led to increased turnover; hence the company reduced the overtime requirement to 5 percent.

Other services

In addition to the child-related benefits and monthly food packages, Martur offers several other benefits in line with its belief in the importance of developing the next generation. For example, Martur has set up a reading corner in the canteen, illustrated by artwork produced by the children of Martur employees, where parents can find books and references about childrearing.

Employees can also use the services of a psychologist, to discuss personal or family issues, and a nutritionist. Psychological services began in 2016, and so far, 180 workers have used them. Such services are completely private to the individual, but the psychologist may alert management to generic problems that arise.

Training and development

Martur believes that training and developing its employees is essential for helping them see the bigger picture of their customers' demands and expectations and help Martur realize its broader growth strategy. MFI developed a training academy in Bursa to develop the leadership skills of employees at all levels. This includes female line supervisors who can attend training in Bursa. Martur believes in helping its staff grow, and makes a special effort to encourage women operators to step up into higher positions.



PHOTO: COURTESY OF MARTUR

SERVICES AVAILABLE TO MARTUR KÜTAHYA EMPLOYEES.

BUSINESS IMPACTS OF CHILDCARE SUPPORTS

"Providing childcare is not cheap, but the expenditure is well worth it, both in the short-term and particularly in the longer run," reflected Dogan. The main aim is to make mothers feel less stress, knowing their children are in safe hands. As a result of these initiatives, Martur has realized benefits such as enhanced recruitment, reduced staff turnover and absences, and increased quality, productivity, loyalty, and motivation.

Cost of providing childcare supports

Martur spends approximately 625 Turkish lira (approximately \$175) per child per month for childcare, which includes transportation to and from the childcare centers. In 2016, it also spent 84,263 Turkish lira (\$24,000) on summer camps and sport activities, 241,366 Turkish lira (\$68,746) for a children's

“Providing childcare is not cheap, but the expenditure is well worth it, in the short-term and particularly in the longer term.”

Salim Dogan, Director for Textile Operations and Manager of the Kütahya site

summer fest, for a total of 325,629 Turkish lira (\$92,746). The company does not receive any tax allowances for the childcare expenditure.

After the initial investment of time to find viable childcare providers as partners, the administration of the benefit became rather routine. Damar estimated that he spends about a week per year on monitoring childcare centers, attending parent events, outreach, and tracking of potential new partners; the HR team additionally spends approximately half day per month on the benefit, and the Health and Safety team spends approximately half day per month on inspections and audits of childcare partners.

Benefits for recruitment

Childcare has played an important role in turning Martur into the employer of choice in the area. Damar explained, “When we first started at Kütahya, we had a hard time persuading women to come and work at Martur. Few of them had any experience of working in the formal sector. Now we get on average 10 job applications from women per week, even without asking.” Dogan added, “Initially we had to go out with a megaphone (metaphorically speaking) saying that we were offering good jobs for women. Now the childcare centers are part of our megaphone—other women see the benefits of working here, and how it benefits their children.”

Benefits for retention

Retention and reduced staff turnover is a key performance indicator for Martur. In the first half of 2013, before the childcare benefit was offered, average monthly turnover for manual workers was 4.4 percent; in the first half of 2017, it was down to 1.25 percent per month—a 70 percent decline. Martur estimates that the childcare benefit was responsible for about a quarter of the overall reduction in staff turnover, or for a reduction of staff turnover of approximately 15 percent. Cetin, whose sewing and cutting section employs the majority of staff, explained that every time a worker leaves and needs to be replaced, Martur faces substantial costs from lost productivity. A worker starting as an operator will have one week of classroom training, followed by three weeks of on-the-job training (during which he or she is observing, not yet contributing). It then typically takes the next seven months for the new employee to reach full basic productivity. However, workers constantly learn and become more competent, so, compared to team members who have been at work for longer, and thus are more experienced, the new worker’s productivity will still be lower.

The team-centered work processes at Martur mean that workers pass on their work to someone else, so if one worker is slower and/or has higher error rates, productivity falls for the whole line. Dogan described the knock-on effect of having

“When we first started at Kütahya, we had a hard time persuading women to come and work at Martur. Few of them had any experience of working in the formal sector. Now we get on average 10 job applications from women per week.”

Zeyit Damar, Human Resource Manager, Martur Kütahya plant

“When an inexperienced worker joins a line, it is not just his or her productivity that goes down, but the productivity of the whole line drops because everyone depends on everyone else’s work. Quality and productivity go down, we fall behind our schedule, we need to work overtime. We lose more women workers because they do not like to work overtime. Childcare helps us turn this vicious cycle into a virtuous one.”

Salim Dogan, Director for Textile Operations and Manager of the Kütahya site

an inexperienced worker with an example from 2012: “Typically we have daily deliveries to our internal customers in Bursa—two huge vans a day. Recently there was a problem with quality. We fell behind the schedule. We had to stay longer and use overtime to catch up, and instead of two large vans, we had to send 25 individual minivans. We had to pay the drivers, the gas for the cars, the overtime (150 percent of usual wages), and on top of it all, our workers really do not like overtime, so having to use overtime means we likely lost some workers. A vicious cycle! Childcare has made a big contribution to getting us into a virtuous cycle instead.”

Absenteeism

Martur has also successfully reduced absenteeism, from 4.15 percent in 2013 before the childcare benefit became available to 1.9 percent in 2016; childcare is part of a package of measures to improve attendance. As a result of improved turnover and absenteeism, Martur only uses 2.6 percent overtime. Cetin explained what this means in practice, “In one shift we run 10 lines, with 10–15 people per line; an absenteeism rate of 4 percent for 250 workers means 10 people missing, each leaving a hole that needs to be filled by colleagues, with a potential negative impact on quality and productivity.” Deniz Sezerze, Manager for Quality at the Martur plant, explained, “Yes, we are working mothers, we have children. Sometimes children can get sick, but we can prepare for this: each operator learns something about someone else’s tasks, so that we can step in for each other and deal with absences when they do happen.”

Quality and productivity

Martur’s customers expect high levels of quality; the tolerance for errors is very low. Working on the line requires sustained focus and concentration. Childcare helps workers to produce at a high level of quality. Cetin explained, “The tolerance for mistakes in our work is within millimeters. If you want employees to deliver at that level, they have to feel safe—safe while they are working here, and safe in the knowledge that their kids are well looked after.”

Health and safety

The Martur plant is held accountable for its accident rates; having low or no accidents is another key performance indicator for Martur. Each accident is discussed with the workers to identify why it happened and how it can be prevented in the future. For the Health and Safety team, the childcare benefit directly contributes to keeping the accident rate close to its current near-zero level. The manager of the Health and Safety team explained, “When the mind is not free because you are tired or worried that something is wrong with

“The tolerance for mistakes in our work is within millimeters. If you want employees to deliver at that level, they have to feel safe—safe while they are working here, and safe in the knowledge that their kids are well looked after.”

Günes Cetin, Plant Manager, Cutting and Sewing, Martur Kütahya plant

your children, you cannot focus on your job, and may cause an accident. In our environment accidents typically have a domino effect; they do not only impact you, but also other workers. Childcare removes one potential point of pressure.”

Motivation and commitment

One of the biggest benefits of childcare supports in view of Martur’s management, even if hard to quantify financially, is its impact on the loyalty and motivation of staff. Although only a minority of workers use the childcare benefit, its impact reaches those who are considering forming a family in the future—and further, to those who simply appreciate it as an example of Martur’s support for families. “Investing in the children of our employees is an investment in the future. We win by gaining loyalty, and by potentially influencing the employment choices not only of the current but also the future generation of workers,” reflected Dogan.

Legal compliance

Under Turkish law, as an employer of more than 150 women, Martur is formally mandated to provide childcare for its female employees. However, according to the company, given low enforcement and low fees for lack of compliance (the monthly fine of approximately \$370 is much lower than Martur’s expenditure on childcare), legal compliance has not really been a major motivating factor for providing the childcare benefit.

CHALLENGES AND LESSONS LEARNED

Martur’s biggest lesson has been a costly one: not planning for childcare when the new plant was constructed has cost the company a lot of money as a result of higher staff turnover. Martur had to spend time on supporting the development of the childcare market in Kütahya before it was able to be a client in that market—unlike its main facilities in the more metropolitan environment of Bursa with a more developed childcare market.

Martur has been successful with its strategy of reserving places in childcare centers that also serve other children. Reserving places in external centers has helped Martur spread the risk of fluctuation and reduce costs. Responsibility for compliance with educational and other childcare regulations



CHILDREN IN THE CRÈCHE PLAYGROUND.

PHOTO: COURTESY OF MARTUR

“The childcare benefit is used by fewer than 10 percent of our female employees. But it gives all of them the confidence that they may benefit in future.”

**Zeyit Damar, Human Resource Manager,
Martur Kütahya plant**

lies with the centers, not with Martur. Although Martur initially carried the cost of child-appropriate transportation services, the responsibility for these services has now shifted to the childcare centers (who benefited from Martur's experience with finding reliable providers of child-appropriate transportation).

Martur learned on the way that relying on just one center can be risky; the first childcare center partnering with Martur closed after less than a year, and the owners decided to move away. Martur's goal now is to work with three or four centers, and to limit its contracts to centers that have successfully operated for a few years. To make this strategy work, Martur has reached out to the broader business community in Kütahya, realizing that increased demand for corporate childcare will build and stabilize the childcare market for childcare providers as much as for Martur.

In developing its childcare strategy, Martur has benefited from listening to employees: it learned from exit interviews with employees that childcare was an issue, and then addressed it. Martur is also benefiting from piloting benefits and adopting a flexible approach. This includes offering childcare in the evenings to match shifts, and abandoning that practice when it became clear that demand was less than predicted. The arrangements with the childcare centers also allows employees to change providers, giving them the confidence that they can try out an arrangement and see whether it fits.

Martur's Kütahya plant is the only Martur subsidiary to provide childcare supports. Based on the positive experience at Kütahya, Martur is considering taking its lessons of the impact of childcare on retention and productivity to its sewing and cutting subsidiaries in Romania and Russia.

“The biggest lesson for us? We could have saved ourselves a lot of time and money if we had thought of childcare right from the start when we built the plant. Not doing so cost us four years of high employee turnover and lower productivity.”

**Zeyit Damar, Human Resources Manager,
Martur Kütahya plant**

Endnotes

- 1 Turkstat. *Social Structure and Gender Statistics – Use of time* (2014–2015), http://www.turkstat.gov.tr/PreTablo.do?alt_id=1068
- 2 This requirement applies to the Martur Kütahya plant since it employs more than 150 women.
- 3 Interviews for this case study were conducted in person in Kütahya, near Bursa, in July 2017 with a cross-section of Martur Kütahya staff, including the Textile Operations Director and Manager of the Kütahya site, the HR Director and HR Senior Specialists, Quality Manager, Health and Safety Specialist, Senior Line Managers, two focus groups of women operators, and the HR Director for Martur Fompak Turkey. Visits were also conducted to two childcare centers that have contracts with Martur. Martur is a partner of IFC.

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